



July 31, 2020

For Immediate Release

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Partial Amendment of “Notice Regarding Implementation of Management Buyout and Recommendation to Tender Shares” [Amendment]

The Company hereby makes an announcement as follows, because certain matters in the “Notice Regarding Implementation of Management Buyout and Recommendation to Tender Shares” released on May 8, 2020 (including the amendments provided in the “Partial Amendment of ‘Notice Regarding Implementation of Management Buyout and Recommendation to Tender Shares’ [Amendment]” released on June 22, 2020 and the “Partial Amendment of ‘Notice Regarding Implementation of Management Buyout and Recommendation to Tender Shares’ [Amendment]” released on July 9, 2020; hereinafter the “**May 8, 2020 Company Press Release**”) have required partial amendment (such amendments hereinafter the “**Amendments**”).

The Amendments have arisen in conjunction with the amendment of the purchase etc. price (“**Tender Offer Price**” and the “**Stock Acquisition Right Purchase Prices**”) of, material agreements relating to, and the purchase etc. period (“**Tender Offer Period**”) of the tender offer (“**Tender Offer**”) for outstanding common shares of the Company (“**Shares**”) and Stock Acquisition Rights (defined below in “2. Purchase etc. Price”) by K.K. BCJ-44 (“**Tender Offeror**”), as is described in the “Notice Concerning K.K. BCJ-44’s Amendment to Terms of Tender Offer for Shares etc. of NICHIIIGAKKAN CO., LTD. (Securities Code: 9792)” released today, in accordance with a request by the Tender Offeror under Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act.

Given the fact that the market price of the Shares has shifted upward to surpass the Tender Offer Price, in order to increase the likelihood of the successful establishment of the Tender offer, the Tender Offeror repeatedly negotiated with Effissimo Capital Management Pte. Ltd. (“**Effissimo**,”) which currently owns 8,321,700 Shares (ownership ratio of 12.64%). As a result of the comprehensive consideration of the market trading status of the Shares since the commencement of the Tender Offer and the need to establish the Tender Offer more surely and to reflect, as much as possible, the wants of the Company shareholders and Stock Acquisition Right Holders who approved the Tender Offer and tendered their Shares and Stock Acquisition Rights, finally, the Tender Offeror received from Effissimo a commitment letter (“**Commitment Letter**”) dated July 31, 2020, to the effect that Effissimo will tender or have tendered all of the Shares held by it or through ECM Master Fund (8,321,700 Shares, ownership ratio of such tendered Shares of 12.64% “**Effissimo Tender-Agreed Shares**”) and have ECM Master Fund subscribe for nonvoting shares issued by K.K. BCJ-43, the wholly-owned parent company of the Tender Offeror (“**BCJ-43**”), subject to the establishment of the Tender Offer, no later than the business day immediately following the last day of the Tender Offer Period for the Tender Offer. Also, on the same date, BCJ-43 and Effissimo executed a subscription agreement for the subscription of the said nonvoting shares (“**Subscription Agreement**,”) and the Tender Offeror decided to change the Tender Offer Price from JPY1,500 to JPY1,670, as well as change the Stock Acquisition Right Purchase Prices to those obtained by multiplying the difference

between JPY 1,670 or the Tender Offer Price after the change, and the exercise price per Share for each series of Stock Acquisition Rights by 1 or the number of common shares subject to such stock acquisition rights. Specifically, the Tender Offeror sets the Stock Acquisition Right Purchase Price for the Series 1 Stock Acquisition Rights at JPY 562 or an amount obtained by multiplying JPY 562, which is the difference between the Tender Offer Price after the change and JPY 1,108, which is the exercise price per Share by 1, and the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights at JPY 1,669 or an amount obtained by multiplying JPY 1,669, which is the difference between the Tender Offer Price after the change and JPY 1, which is the exercise price per Share by 1, respectively. Further, in conjunction with the foregoing, according to laws and regulations, it was determined to extend the Tender Offer Period until August 17, 2020, which is 10 business days after July 31, 2020, the submission date of the notification for revision of the Notification of Tender Offer for the above amendments (“**Amendment of Tender Offer Terms**”).

In response to the Tender Offeror’s decision on the Amendment of Tender Offer Terms, and in the light of the background and content of the Amendment of Tender Offer Terms, the process behind the Tender Offeror’s decision to receive the Commitment Letter from Effissimo and to have the Subscription Agreement executed, the outline of the Commitment Letter and the Subscription Agreement, and the opinions of the Special Committee relating to the series of these processes and transactions, the Board of Directors carefully deliberated these matters at a meeting held on July 31, 2020. And it was confirmed that even on the basis of the Amendment of Tender Offer Terms, it is expected that taking the Shares private through the Transaction, including the Tender Offer, would contribute to enhancing the Company Group’s corporate value; while Effissimo owns the Shares in the medium-to-long term, and from about five years ago, it has a track record of repeated discussions and consideration with the Company on various measures for enhancing the Company’s corporate value, including the Company’s business structure reform, it has not presented any opposing or competing opinion against the Company’s management policy so far; and, according to the explanation given to the Company by the Tender Offeror, though Effissimo has no plans to dispatch any officer or staff members to the Company, it has expressed its intention to support various measures for enhancing the corporate value of the Company jointly, which are expected to be implemented by Bain Capital Private Equity, LP and its group (collectively “**Bain Capital**”) and the Tender Offeror after the Tender Offer; therefore, there is no factor that may obstruct the business structure reform to be undertaken by Bain Capital and the Tender Offeror.

The amended portions have been underlined.

Amendments

2. Purchase etc. Price

Pre-Amendment

- (1) JPY1,500 per common share (“Tender Offer Price”)
- (2) Stock acquisition rights
 - (i) JPY392 per unit of the share options (ordinary type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 30, 2015 (“Series 1 Stock Acquisition Rights”) (exercise period from July 25, 2015 to July 24, 2045);
 - (ii) JPY1,499 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 30, 2015 (“Series 2 Stock Acquisition Rights”) (exercise period from July 25, 2015 to July 24, 2045);
 - (iii) JPY1,499 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 28, 2016 (“Series 3 Stock Acquisition Rights”) (exercise period from July 26, 2016 to July 25, 2046);
 - (iv) JPY1,499 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 27, 2017 (“Series 4 Stock

- Acquisition Rights”) (exercise period from July 25, 2017 to July 24, 2047);
- (v) JPY1,499 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 26, 2018 (“Series 5 Stock Acquisition Rights”) (exercise period from July 24, 2018 to July 23, 2048); and
 - (vi) JPY1,499 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 25, 2019 (“Series 6 Stock Acquisition Rights”; and the Series 1 Stock Acquisition Rights, the Series 2 Stock Acquisition Rights, the Series 3 Stock Acquisition Rights, the Series 4 Stock Acquisition Rights, the Series 5 Stock Acquisition Rights, and the Series 6 Stock Acquisition Rights, collectively, the “Stock Acquisition Rights”) (exercise period from July 23, 2019 to July 22, 2049).

Post-Amendment

- (1) JPY1,670 per common share (“Tender Offer Price”)
- (2) Stock acquisition rights
 - (i) JPY562 per unit of the share options (ordinary type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 30, 2015 (“Series 1 Stock Acquisition Rights”) (exercise period from July 25, 2015 to July 24, 2045);
 - (ii) JPY1,669 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 30, 2015 (“Series 2 Stock Acquisition Rights”) (exercise period from July 25, 2015 to July 24, 2045);
 - (iii) JPY1,669 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 28, 2016 (“Series 3 Stock Acquisition Rights”) (exercise period from July 26, 2016 to July 25, 2046);
 - (iv) JPY1,669 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 27, 2017 (“Series 4 Stock Acquisition Rights”) (exercise period from July 25, 2017 to July 24, 2047);
 - (v) JPY1,669 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 26, 2018 (“Series 5 Stock Acquisition Rights”) (exercise period from July 24, 2018 to July 23, 2048); and
 - (vi) JPY1,669 per unit of the share options (stock compensation type) issued based on a resolution adopted at the meeting of the Board of Directors of the Company held on June 25, 2019 (“Series 6 Stock Acquisition Rights”; and the Series 1 Stock Acquisition Rights, the Series 2 Stock Acquisition Rights, the Series 3 Stock Acquisition Rights, the Series 4 Stock Acquisition Rights, the Series 5 Stock Acquisition Rights, and the Series 6 Stock Acquisition Rights, collectively, the “Stock Acquisition Rights”) (exercise period from July 23, 2019 to July 22, 2049).

3. Substance of and Grounds and Reasons for Opinion Relating to Tender Offer

(1) Substance of Opinion

Pre-Amendment

At the Board of Directors meeting held today, on the basis of the grounds and reasons set forth in “(2) Grounds and Reasons for Opinion” below, the Company passed a resolution to state an opinion in favor of the Tender Offer and to recommend that the Company’s shareholders and Stock Acquisition Right Holders tender their Shares and Stock Acquisition Rights in the Tender Offer.

The resolution by the Board of Directors was passed using the method set forth in “(iv) Approval of All Company Directors Not Having a Conflict of Interest; Opinion of No Objection from All Company Auditors”

in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” below.

Post-Amendment

At the Board of Directors meeting held on May 8, 2020, on the basis of the grounds and reasons set forth in “(2) Grounds and Reasons for Opinion” below, the Company passed a resolution to state an opinion in favor of the Tender Offer and to recommend that the Company’s shareholders and Stock Acquisition Right Holders tender their Shares and Stock Acquisition Rights in the Tender Offer.

Thereafter, in order to provide Company shareholders with an opportunity to make determinations in consideration of the fact that the market price of Shares had moved so as to surpass the Tender Offer Price, the Tender Offeror decided, on June 22, 2020, to extend the Tender Offer Period to July 9, 2020, and for the same reason, the Tender Offeror decided on July 9, 2020 to further extend the Tender Offer Period to August 3, 2020.

Subsequently, as described in (i) Overview of the Tender Offer under (2) Grounds and Reasons for Opinion below, given the fact that the market price of the Shares has shifted upward to surpass the Tender Offer Price, in order to increase the likelihood of the successful establishment of the Tender Offer, the Tender Offeror repeatedly negotiated with Effissimo Capital Management Pte. Ltd. (“**Effissimo**,”) which currently holds 8,321,700 Shares (ownership ratio of 12.64%). And as a result of the comprehensive consideration of the market trading status of the Shares since the commencement of the Tender Offer and the need to establish the Tender Offer more surely and reflect, as much as possible, the wants of the Company shareholders and Stock Acquisition Right Holders who approved the Tender Offer and tendered their Shares and Stock Acquisition Rights, the Tender Offeror received from Effissimo a commitment letter (“ **Commitment Letter** ”) dated July 31, 2020, to the effect that Effissimo will tender or have tendered all of the Shares held by it or through ECM Master Fund (8,321,700 Shares, ownership ratio of such tendered Shares of 12.64% “**Effissimo Tender-Agreed Shares** ”) and have ECM Master Fund subscribe for nonvoting shares issued by BCJ-43, subject to the establishment of the Tender Offer, no later than the business day immediately following the last day of the Tender Offer Period for the Tender Offer. Also, on the same date, BCJ-43 and Effissimo executed a subscription agreement for the subscription of the said nonvoting shares (“**Subscription Agreement**,”) and the Tender Offeror decided to change the Tender Offer Price from JPY1,500 to JPY1,670, as well as change the Stock Acquisition Right Purchase Prices to those obtained by multiplying the difference between JPY 1,670 or the Tender Offer Price after the change, and the exercise price per Share for each series of Stock Acquisition Rights by 1 or the number of common shares subject to such stock acquisition rights. Specifically, the Tender Offeror sets the Stock Acquisition Right Purchase Price for the Series 1 Stock Acquisition Rights at JPY 562 or an amount obtained by multiplying JPY 562, which is the difference between the Tender Offer Price after the change and JPY 1,108, which is the exercise price per Share by 1, and the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights at JPY 1,669 or an amount obtained by multiplying JPY 1,669, which is the difference between the Tender Offer Price after the change and JPY 1, which is the exercise price per Share by 1, respectively. Further, in conjunction with the foregoing, according to laws and regulations, it was determined to extend the Tender Offer Period until August 17, 2020, which is 10 business days after July 31, 2020, the submission date of the notification for revision of the Notification of Tender Offer for the above amendments (“**Amendment of Tender Offer Terms**”).

(Note) ECM Master Fund is a trust-type investment fund established under the laws of the Cayman Islands, which receives investment advice from Effissimo under a discretionary investment contract, and Effissimo has the management authority and gives instructions to ECM Master Fund as its asset management company. ECM Master Fund is a trust, and it does not have any shares or capital unlike a stock company; therefore, it has no capital relationship with

Effissimo. Also, Effissimo has no capital relationship with SMP Partners (Cayman) Limited, which is the trustee of ECM Master Fund.

In response to the Tender Offeror's decision on the Amendment of Tender Offer Terms, and in the light of the background and content of the Amendment of Tender Offer Terms, the process behind the Tender Offeror's decision to receive the Commitment Letter from Effissimo and to have the Subscription Agreement executed, the outline of the Commitment Letter and the Subscription Agreement, and the opinions of the Special Committee relating to the series of these processes and transactions, the Board of Directors carefully deliberated these matters at a meeting held on July 31, 2020. And it was confirmed that even on the basis of the Amendment of Tender Offer Terms, it is expected that taking the Shares private through the Transaction, including the Tender Offer, would contribute to enhancing the Company Group's corporate value; while Effissimo owns the Shares in the medium-to-long term, and from about five years ago, it has a track record of repeated discussions and consideration with the Company on various measures for enhancing the Company's corporate value, including the Company's business structure reform, it has not presented any opposing or competing opinion against the Company's management policy so far; and, according to the explanation given to the Company by the Tender Offeror, though Effissimo has no plans to dispatch any officer or staff members to the Company, it has expressed its intention to support various measures for enhancing the corporate value of the Company jointly, which are expected to be implemented by Bain Capital and the Tender Offeror after the Tender Offer; therefore, there is no factor that may obstruct the business structure reform to be undertaken by Bain Capital and the Tender Offeror. In addition, the Tender Offer Price as amended by the Amendment of Tender Offer Terms, the Stock Acquisition Right Purchase Prices as amended by the Amendment of Tender Offer Terms, and the other conditions for the Tender Offer are reasonable for the Company's shareholders and Stock Acquisition Right Holders, and there is no change in the thinking that the Tender Offer provides a reasonable opportunity for the Company's shareholders and Stock Acquisition Right Holders to sell their Shares and Stock Acquisition Rights, the Company passed a resolution to maintain its opinion in favor of the Tender Offer as previously announced in the May 8, 2020 Press Release and maintain its recommendation for the Company's shareholders and Stock Acquisition Right Holders to tender their Shares and Stock Acquisition Rights in the Tender Offer.

The resolution by the Board of Directors was passed using the method set forth in “(iv) Approval of All Company Directors Not Having a Conflict of Interest; Opinion of No Objection from All Company Auditors” in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” below.

(2) Grounds and Reasons for Opinion

(i) Overview of the Tender Offer

Pre-Amendment

The Tender Offeror is a corporation (*kabushiki kaisha*) established on April 23, 2020 for the primary purpose of holding all of the Shares to control and manage the Company's business activities. The Tender Offeror is a wholly-owned subsidiary of BCJ-43 whose outstanding shares are all indirectly owned by an investment fund to which Bain Capital Private Equity, LP and its group (collectively, “Bain Capital”) provides investment advice. As of the current date, Bain Capital, BCJ-43, and the Tender Offeror do not own any Shares.

Bain Capital is an international investment company with a total of approximately \$105 billion in working assets worldwide, and since opening its Tokyo office in 2006, approximately 30 professionals have been working to improve the corporate value of Bain Capital's portfolio companies in Japan. Most of those professionals have experience at industrial companies and consulting companies, and in addition

to capital and financial support that is provided by general investment companies, Bain Capital has also steadily executed growth strategies by supporting business operations at a field level and led numerous measures for value improvement to a success. Bain Capital has an investment track record of 17 companies in Japan including Showa Aircraft Industry Co., Ltd., Cheetah Digital Co., Ltd. (currently EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (currently KIOXIA Corporation), Japan Wind Development Co., Ltd., Oedo-Onsen-Monogatari Co., Ltd., ASATSU-DK Inc., Jupiter Shop Channel Co., Ltd., Skylark Co., Ltd., Domino's Pizza Japan, Inc., Macromill, Inc., and BELLSYSTEM24, Inc., and Bain Capital has had achieved results globally from investments in 450 companies since its establishment in 1984.

<omitted>

Mr. Nobusuke Mori, the Company representative director and president (“Mr. Mori”), is expected to remain involved in Company management following establishment of the Tender Offer, and in order to share the common objective for enhancing the corporate value, he is considering investing directly or indirectly in the Tender Offeror. (Though the specific amount and timing are undetermined at this time, Mr. Mori, Mr. Daisuke Terada, and Mr. Tsuyoshi Terada, all of who are expected to reinvest in the Tender Offeror, are considering investing a portion of and within the scope of the amount of consideration acquired by tendering their respective Shares in the Tender Offer. The preceding sentence shall apply hereinafter to the descriptions about the respective reinvestments by Mr. Mori, Mr. Daisuke Terada, and Mr. Tsuyoshi Terada.) In addition, the Company vice president and representative director and vice president Mr. Daisuke Terada (note 2), decided to externally make clear his intention to continue supporting the Company as a relative of Company founder and former representative director and chairman Akihiko Terada (“Former Chairman Terada”), and is considering investing directly or indirectly in the Tender Offeror. Moreover, the Company managing director Mr. Tsuyoshi Terada decided to externally make clear his intention to remain involved in the Company management and to continue supporting the Company as a relative of Former Chairman Terada with the common objective for enhancing the corporate value, and is considering investing directly or indirectly in the Tender Offeror. Also, Mr. Keisuke Terada decided to externally make clear his intention to continue supporting the Company as a relative of Former Chairman Terada and is considering investing directly or indirectly in the Tender Offeror.

(Note 2) As publicly announced today in “Notice regarding Appointment of Directors, Change of Representative Director, Structure Change and Personnel Reshuffle,” Mr. Daisuke Terada is expected to retire from the offices of Representative Director and Director effective of June 24, 2020.

(Note 3) As publicly announced today in “Notice regarding Appointment of Directors, Change of Representative Director, Structure Change and Personnel Reshuffle,” Mr. Tsuyoshi Terada is expected to assume the offices of Representative Director effective of June 24, 2020.

Additionally, when conducting the Tender Offer, the Tender Offeror entered into Tender Offer Acceptance Agreements (“Tender Agreements”) on May 8, 2020 with Mr. Mori, the Company representative director and president (number of shares held: (note 4) 55,508 shares; number of Stock Acquisition Rights held: 67,500 units (number of subject shares: 67,500 shares); ownership ratio (note 5): 0.19%), the relatives of Former Chairman Terada: the Company vice president and representative director Mr. Daisuke Terada (number of shares held: 4,699,124 shares; number of Stock Acquisition Rights held: 105,900 units (number of subject shares: 105,900 shares); ownership ratio: 7.30%); the Company managing director Mr. Tsuyoshi Terada (number of shares held: 3,581,724 shares; number of Stock Acquisition Rights held: 38,600 units (number of subject shares: 38,600 shares); ownership ratio: 5.50%); Ms. Kuniko Terada (number of shares held: 5,074 shares; ownership ratio: 0.01%); Mr. Keisuke Terada

(number of shares held: 2,737,174 shares; ownership ratio: 4.16%); Ms. Ayako Terada (number of shares held: 688,100 shares; ownership ratio: 1.05%); and Ms. Akemi Takato (number of shares held: 698,249 shares; ownership ratio: 1.06%), as well as Yugen .Kaisha. Meiko (“Meiko”; number of shares held: 82,800 shares; ownership ratio: 0.13%), an asset management company, all of the outstanding shares of which are owned by Mr. Keisuke Terada and Ms. Ayako Terada (collectively referred to as “Shareholders Agreeing to Tender”). The Shareholders Agreeing to Tender have agreed to tender all of the Shares and Stock Acquisition Rights that they each hold (excluding 39,650 shares of transfer-restricted stock held by Mr. Mori, 19,975 shares of transfer-restricted stock held by Mr. Daisuke Terada and 9,625 shares of transfer-restricted stock held by Mr. Tsuyoshi Terada allotted to them as officers of the Company in the form of transfer-restricted stock compensation) (number of shares held: 12,478,503 shares; number of Stock Acquisition Rights: 212,000 units (number of subject shares: 212,000 shares); ownership ratio: 19.28%; referred to as the “Tender-Agreed Shares etc.”) in the Tender Offer. For details concerning the Tender Agreements, see “(1) Tender Agreements” under “4. Matters Relating to Material Agreements Concerning Tendering of Shares in Tender Offer between the Tender Offeror and Company Shareholders, Directors, and Others” below.

Also, as a part of the Transaction, the Tender Offeror reached agreement on May 8, 2020 with Ms. Kuniko Terada (“Meiwa Shareholder”), who is the sole shareholder of Meiwa, regarding Meiwa, an asset management company, all of the outstanding shares of which are owned by Ms. Kuniko Terada, and which holds 16,303,849 Shares, making it a major shareholder and the largest shareholder of the Company (ownership ratio: 24.76%; referred to as the “Meiwa-Owned Company Shares”), to transfer all outstanding shares of Meiwa (the “Meiwa Shares”) to the Tender Offeror on the day of commencement of settlement relating to the Tender Offer (the “Meiwa Share Transfer Date”). Rather than acquiring the Meiwa-Owned Company Shares through the Tender Offer, in early February 2020 Meiwa Shareholder requested that the Tender Offeror acquire all Meiwa Shares as a part of the Transaction, and considering that the purpose of the Transaction can also be attained by acquiring the Meiwa Shares and Meiwa is an asset management company that currently has no assets other than Shares, cash and deposits, and tax assets, the Tender Offeror engaged in repeated discussions with Meiwa Shareholder concerning the acquisition price, method and so on for the Meiwa Shares and determined that paying the agreed transfer price for the Meiwa Shares (the “Meiwa Share Transfer Amount”) to Meiwa Shareholder as discussed below will provide economic value equivalent to the value that would be received by Meiwa Shareholder in exchange of tendering its Shares in the Tender Offer in the case where the Meiwa Share Transfer Amount is set at (i) the amount (JPY 24,455,773,500) equal to the Meiwa-Owned Company Shares (16,303,849 shares) *times* the Tender Offer Price (JPY 1,500 per Share) *minus* (ii) loans from Meiwa Shareholder and any other liabilities owed by Meiwa on the Meiwa Share Transfer Date *plus* (iii) the amount of Meiwa’s cash and deposits and tax assets on the Meiwa Share Transfer Date; and that such payment would not be contrary to the uniformity of the tender offer price specified in Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) or Article 8, Paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended). Accordingly, the Tender Offeror and Meiwa Shareholder executed a share transfer agreement regarding transfer of the Meiwa Shares (the “Share Transfer Agreement”) dated May 8, 2020. In addition, the Tender Offeror agreed in the Share Transfer Agreement that Meiwa Shareholder will not cause Meiwa to tender any of Meiwa-Owned Company Shares in the Tender Offer, conditioned on establishment of the Tender Offer and other conditions, on the Meiwa Share Transfer Date, Meiwa Shareholder shall transfer all of the Meiwa Shares held by Meiwa Shareholder to the Tender Offeror and Tender Offeror shall acquire those shares, and the method to calculate the Meiwa Share Transfer Amount as described above. Thus, the Meiwa Share Transfer Amount is set at a value substantively no different from the value in the case where Meiwa tendered its Shares in the Tender Offer. For details concerning the Share Transfer Agreement, see “(2) Share Transfer Agreement” under “4. Matters Relating to Material Agreements Concerning Tendering

of Shares in Tender Offer between the Tender Offeror and Company Shareholders, Directors, and Others” below.

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If the Tender Offer is completed, the Tender Offeror plans to secure JPY27,000,000,000 in financing from BJC-43 and obtain loans up to a maximum of JPY98,600,000,000 (the “Acquisition Loans”) from MUFG Bank, Ltd. (“MUFG Bank”), Mizuho Bank, Ltd. (“Mizuho Bank”), Sumitomo Mitsui Banking Corporation (“Sumitomo Mitsui Bank”), and Nomura Capital Investment Co., Ltd. (“Nomura Capital Investment”). The Tender Offeror intends to apply those funds to settlement of the Tender Offer and so on. The particulars of the financing conditions relating to the Acquisition Loans will be specified in financing agreements relating to the Acquisition Loans following separate discussions with the MUFG Bank, Mizuho Bank, Sumitomo Mitsui Bank, and Nomura Capital Investment, but it is planned that in the financing agreements relating to the Acquisition Loans, the Tender Offeror shares held by BCJ-43, the Meiwa-Owned Company Shares, and the Shares etc. that the Tender Offeror acquires through the Tender Offer will be provided as security.

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Thereafter, in order to provide Company shareholders with an opportunity to make determinations in consideration of the fact that the market price of Shares had moved so as to surpass the Tender Offer Price, the Tender Offeror decided, on June 22, 2020, to extend the Tender Offer Period to July 9, 2020 (“**First Extension**”), and for the same reason, the Tender Offeror decided on July 9, 2020 to further extend the Tender Offer Period to August 3, 2020. The Tender Offeror had not discussed changing the Tender Offer Price or the Stock Acquisition Right Purchase Prices as of either June 22, 2020, when the decision was made to provide the First Extension, or July 9, 2020.

Post-Amendment

The Tender Offeror is a corporation (*kabushiki kaisha*) established on April 23, 2020 for the primary purpose of holding all of the Shares to control and manage the Company’s business activities. The Tender Offeror is a wholly-owned subsidiary of BCJ-43 whose outstanding shares are all indirectly owned by an investment fund to which Bain Capital provides investment advice. Further, Effissimo plans to have ECM Master Fund, an investment fund to which it provides investment advice under a discretionary investment contract, make investment in BCJ-43, subject to the establishment of the Tender Offer, no later than the business day immediately following the last day of the Tender Offer Period for the Tender Offer. As of the current date, Bain Capital, BCJ-43, and the Tender Offeror do not own any Shares, while Effissimo holds 100 Shares (ownership ratio of 0.00%) itself and 8,321,600 Shares (ownership ratio of 12.64%) through ECM Master Fund. Since its first acquisition of 36,400 Shares (ownership ratio of 0.06%) on January 9, 2014, Effissimo has constantly acquired the Shares through the trade on the market, and the number of the Shares held by it reached 4,445,500 Shares (ownership ratio of 6.75%) as of September 15, 2014, 7,869,200 Shares (ownership ratio of 11.95%) as of June 30, 2015, and 8,321,700 Shares (ownership ratio of 12.64%) as of June 14, 2019.

Bain Capital is an international investment company with a total of approximately \$105 billion in working assets worldwide, and since opening its Tokyo office in 2006, approximately 30 professionals have been working to improve the corporate value of Bain Capital’s portfolio companies in Japan. Most of those professionals have experience at industrial companies and consulting companies, and in addition to capital and financial support that is provided by general investment companies, Bain Capital has also steadily executed growth strategies by supporting business operations at a field level and led numerous

measures for value improvement to a success. Bain Capital has an investment track record of 17 companies in Japan including Showa Aircraft Industry Co., Ltd., Cheetah Digital Co., Ltd. (currently EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (currently KIOXIA Corporation), Japan Wind Development Co., Ltd., Oedo-Onsen-Monogatari Co., Ltd., ASATSU-DK Inc., Jupiter Shop Channel Co., Ltd., Skylark Co., Ltd., Domino's Pizza Japan, Inc., Macromill, Inc., and BELLSYSTEM24, Inc., and Bain Capital has had achieved results globally from investments in 450 companies since its establishment in 1984.

Effissimo is an investment management company incorporated in 2006 under the laws of the Republic of Singapore. It operates funds contributed from institutional investors with long-term funds, mainly North American pension funds and university foundations, to invest principally in shares of listed Japanese companies. Effissimo basically makes investments in shares that are undervalued in comparison with the corporate value and where it can expect a raise in the share price or dividends in association with the enhancement of the corporate value over the medium-to-long term.

<omitted>

Mr. Nobusuke Mori, the Company representative director and president (“Mr. Mori”), is expected to remain involved in Company management following establishment of the Tender Offer, and in order to share the common objective for enhancing the corporate value, he is considering investing directly or indirectly in the Tender Offeror. (Though the specific amount and timing are undetermined at this time, Mr. Mori, Mr. Daisuke Terada, and Mr. Tsuyoshi Terada, all of who are expected to reinvest in the Tender Offeror, are considering investing a portion of and within the scope of the amount of consideration acquired by tendering their respective Shares in the Tender Offer. The preceding sentence shall apply hereinafter to the descriptions about the respective reinvestments by Mr. Mori, Mr. Daisuke Terada, and Mr. Tsuyoshi Terada.) In addition, Mr. Daisuke Terada (Note 2), who was the Company representative director and vice president as of May 8, 2020, decided to externally make clear his intention to continue supporting the Company as a relative of the Company founder and former representative director and chairman Mr. Akihiko Terada (“Former Chairman Terada”), and is considering investing directly or indirectly in the Tender Offeror. Moreover, the Company representative director and vice president Mr. Tsuyoshi Terada (Note 3), who was managing director as of May 8, 2020, decided to externally make clear his intention to remain involved in the Company management and to continue supporting the Company as a relative of Former Chairman Terada with the common objective for enhancing the corporate value, and is considering investing directly or indirectly in the Tender Offeror. Also, Mr. Keisuke Terada decided to externally make clear his intention to continue supporting the Company as a relative of Former Chairman Terada and is considering investing directly or indirectly in the Tender Offeror.

(Note 2) As publicly announced on May 8, 2020 in “Notice regarding Appointment of Directors, Change of Representative Director, Structure Change and Personnel Reshuffle,” Mr. Daisuke Terada retired from the offices of Representative Director and Director on June 24, 2020.

(Note 3) As publicly announced on May 8, 2020 in “Notice regarding Appointment of Directors, Change of Representative Director, Structure Change and Personnel Reshuffle,” Mr. Tsuyoshi Terada assumed the offices of Representative Director on June 24, 2020.

Additionally, when conducting the Tender Offer, the Tender Offeror entered into Tender Offer Acceptance Agreements (“Tender Agreements”) on May 8, 2020 with Mr. Mori, the Company representative director and president (number of shares held: (note 4) 55,508 shares; number of Stock Acquisition Rights held: 67,500 units (number of subject shares: 67,500 shares); ownership ratio (note 5): 0.19%), the relatives of Former Chairman Terada: Mr. Daisuke Terada, who was the Company

representative director and vice president as of May 8, 2020 (number of shares held: 4,699,124 shares; number of Stock Acquisition Rights held: 105,900 units (number of subject shares: 105,900 shares); ownership ratio: 7.30%); the Company representative director and vice president Mr. Tsuyoshi Terada, who was managing director as of May 8, 2020 (number of shares held: 3,581,724 shares; number of Stock Acquisition Rights held: 38,600 units (number of subject shares: 38,600 shares); ownership ratio: 5.50%); Ms. Kuniko Terada (number of shares held: 5,074 shares; ownership ratio: 0.01%); Mr. Keisuke Terada (number of shares held: 2,737,174 shares; ownership ratio: 4.16%); Ms. Ayako Terada (number of shares held: 688,100 shares; ownership ratio: 1.05%); and Ms. Akemi Takato (number of shares held: 698,249 shares; ownership ratio: 1.06%), as well as Yugen .Kaisha. Meiko (“Meiko”; number of shares held: 82,800 shares; ownership ratio: 0.13%), an asset management company, all of the outstanding shares of which are owned by Mr. Keisuke Terada and Ms. Ayako Terada (collectively referred to as “Shareholders Agreeing to Tender”). The Shareholders Agreeing to Tender have agreed to tender all of the Shares and Stock Acquisition Rights that they each hold (excluding 39,650 shares of transfer-restricted stock held by Mr. Mori, 19,975 shares of transfer-restricted stock held by Mr. Daisuke Terada and 9,625 shares of transfer-restricted stock held by Mr. Tsuyoshi Terada allotted to them as officers of the Company in the form of transfer-restricted stock compensation) (number of shares held: 12,478,503 shares; number of Stock Acquisition Rights: 212,000 units (number of subject shares: 212,000 shares); ownership ratio: 19.28%; referred to as the “Tender-Agreed Shares etc.”) in the Tender Offer. For details concerning the Tender Agreements, see “(1) Tender Agreements” under “4. Matters Relating to Material Agreements Concerning Tendering of Shares in Tender Offer between the Tender Offeror and Company Shareholders, Directors, and Others” below.

Also, as a part of the Transaction, the Tender Offeror reached agreement on May 8, 2020 with Ms. Kuniko Terada (“Meiwa Shareholder”), who is the sole shareholder of Meiwa, regarding Meiwa, an asset management company, all of the outstanding shares of which are owned by Ms. Kuniko Terada, and which holds 16,303,849 Shares, making it a major shareholder and the largest shareholder of the Company (ownership ratio: 24.76%; referred to as the “Meiwa-Owned Company Shares”), to transfer all outstanding shares of Meiwa (the “Meiwa Shares”) to the Tender Offeror on the day of commencement of settlement relating to the Tender Offer (the “Meiwa Share Transfer Date”). Rather than acquiring the Meiwa-Owned Company Shares through the Tender Offer, in early February 2020 Meiwa Shareholder requested that the Tender Offeror acquire all Meiwa Shares as a part of the Transaction, and considering that the purpose of the Transaction can also be attained by acquiring the Meiwa Shares and Meiwa is an asset management company that currently has no assets other than Shares, cash and deposits, and tax assets, the Tender Offeror engaged in repeated discussions with Meiwa Shareholder concerning the acquisition price, method and so on for the Meiwa Shares and determined that paying the agreed transfer price for the Meiwa Shares (the “Meiwa Share Transfer Amount”) to Meiwa Shareholder as discussed below will provide economic value equivalent to the value that would be received by Meiwa Shareholder in exchange of tendering its Shares in the Tender Offer in the case where the Meiwa Share Transfer Amount is set at (i) the amount (JPY 27,227,427,830) equal to the Meiwa-Owned Company Shares (16,303,849 shares) *times* the Tender Offer Price as amended by the Amendment of Tender Offer Terms (JPY 1,670 per Share) *minus* (ii) loans from Meiwa Shareholder and any other liabilities owed by Meiwa on the Meiwa Share Transfer Date *plus* (iii) the amount of Meiwa’s cash and deposits and tax assets on the Meiwa Share Transfer Date; and that such payment would not be contrary to the uniformity of the tender offer price specified in Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) or Article 8, Paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended). Accordingly, the Tender Offeror and Meiwa Shareholder executed a share transfer agreement regarding transfer of the Meiwa Shares (the “Share Transfer Agreement”) dated May 8, 2020. In addition, the Tender Offeror agreed in the Share Transfer Agreement that Meiwa Shareholder will not cause Meiwa to tender any of Meiwa-Owned Company Shares in the Tender Offer,

conditioned on establishment of the Tender Offer and other conditions, on the Meiwa Share Transfer Date, Meiwa Shareholder shall transfer all of the Meiwa Shares held by Meiwa Shareholder to the Tender Offeror and Tender Offeror shall acquire those shares, and the method to calculate the Meiwa Share Transfer Amount as described above. Thus, the Meiwa Share Transfer Amount is set at a value substantively no different from the value in the case where Meiwa tendered its Shares in the Tender Offer. For details concerning the Share Transfer Agreement, see “(2) Share Transfer Agreement” under “4. Matters Relating to Material Agreements Concerning Tendering of Shares in Tender Offer between the Tender Offeror and Company Shareholders, Directors, and Others” below.

Further, as a result of the comprehensive consideration of the market trading status of the Shares since the commencement of the Tender Offer and the need to establish the Tender Offer more surely and reflect, as much as possible, the wants of Company shareholders and Stock Acquisition Right Holders who approved the Tender Offer and tendered their Shares and Stock Acquisition Rights, the Tender Offeror received from Effissimo the Commitment Letter as of July 31, 2020 and on the same date, BCJ-43 and Effissimo executed the Subscription Agreement. For details concerning the Commitment Letter and the Subscription Agreement, see “(3) The Commitment Letter” and “(4) The Subscription Agreement” under “4. Matters Relating to Material Agreements Concerning Tendering of Shares in Tender Offer between the Tender Offeror and Company Shareholders, Directors, and Others” below.

<omitted>

If the Tender Offer is completed, the Tender Offeror plans to secure JPY28,100,000,000 (including JPY 1,550,000,000 that ECM Master Fund plans to invest in BCJ-43 no later than the business day immediately following the last day of the Tender Offer Period for the Tender Offer, subject to the establishment of the Tender Offer) in financing from BJC-43 and obtain loans up to a maximum of JPY102,500,000,000 (the “Acquisition Loans”) from MUFG Bank, Ltd. (“MUFG Bank”), Mizuho Bank, Ltd. (“Mizuho Bank”), Sumitomo Mitsui Banking Corporation (“Sumitomo Mitsui Bank”), and Nomura Capital Investment Co., Ltd. (“Nomura Capital Investment”). The Tender Offeror intends to apply those funds to settlement of the Tender Offer and so on. The particulars of the financing conditions relating to the Acquisition Loans will be specified in financing agreements relating to the Acquisition Loans following separate discussions with the MUFG Bank, Mizuho Bank, Sumitomo Mitsui Bank, and Nomura Capital Investment, but it is planned that in the financing agreements relating to the Acquisition Loans, the Tender Offeror shares held by BCJ-43, the Meiwa-Owned Company Shares, and the Shares etc. that the Tender Offeror acquires through the Tender Offer will be provided as security.

<omitted>

Thereafter, in order to provide Company shareholders with an opportunity to make determinations in consideration of the fact that the market price of Shares had moved so as to surpass the Tender Offer Price, the Tender Offeror decided, on June 22, 2020, to extend the Tender Offer Period to July 9, 2020, and for the same reason, the Tender Offeror decided on July 9, 2020 to further extend the Tender Offer Period to August 3, 2020.

After the second extension of the Tender Offer Period, given the fact that the market price of the Shares has continued to shift upward to surpass the Tender Offer Price, in order to increase the likelihood of the successful establishment of the Tender officer, on July 14, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital had a discussion with Effissimo which has held the Shares since its first investment in the Company in 2014 and currently holds 8,321,700 Shares (ownership ratio of 12.64%), and on the same date, they requested Effissimo to tender all of the Shares held by it in the Tender Offer. In response, Effissimo expressed its intention to continue to invest in the Company over the medium-to-long term and support various measures jointly, which are expected to be implemented by Bain Capital following the Tender Offer for enhancing the cooperate value of the Company. In response, given the factors that Effissimo

holds the Shares over the medium-to-long term, and from before the announcement of the Tender Offer, it has a track record of repeated discussions and consideration with the Company on the business structure reform and other measures for enhancing the corporate value of the Company, Mr. Mori, Mr. Tsuyoshi Terada and Bain Capital decided to support the Company jointly with Effissimo. Then, on July 21, 2020, they made a proposal to Effissimo a scheme under which Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital will support the Company jointly with Effissimo in a form where Effissimo tenders or have tendered all of the Shares held by it or through EMC Master Fund in the Tender Offer, and it continues to make investments in the Company even after the implementation of the Transaction by having ECM Master Fund make capital contributions to BCJ-43. Following further several negotiations made with Effissimo, on July 31, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital reached an agreement with Effissimo to the effect that Effissimo will participate in the Transaction to make the Company private through the Transaction under the said scheme, and the Tender Offeror received the Commitment Letter from Effissimo, while BCJ-43 executed the Subscription Agreement with Effissimo. Further, given that the most recent market price of the Shares has shifted upward to surpass JPY 1,500, which is the Tender Offer Price before the change, Mr. Mori, Mr. Tsuyoshi Terada, Bain Capital, and Effissimo considered it was necessary to provide the Company's existing shareholders with an opportunity to sell the Shares at an amount that is higher than the Tender Offer Price before the change, and Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital again negotiated with the Company and Effissimo, and finally, on July 31, 2020, they decided to change the Tender Offer Price from JPY1,500 to JPY1,670, as well as change the Stock Acquisition Right Purchase Prices to those obtained by multiplying the difference between JPY 1,670 or the Tender Offer Price after the change, and the exercise price per Share for each series of Stock Acquisition Rights by 1, which is the number of common shares subject to such stock acquisition rights. Specifically, the Tender Offeror sets the Stock Acquisition Right Purchase Price for the Series 1 Stock Acquisition Rights at JPY 562 or an amount obtained by multiplying JPY 562, which is the difference between the Tender Offer Price after the change and JPY 1,108, which is the exercise price per Share, and the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Right at JPY 1,669 or an amount obtained by multiplying JPY 1,669, which is the difference between the Tender Offer Price after the change and JPY 1, which is the exercise price per Share by 1, respectively. Further, in conjunction with the foregoing, according to laws and regulations, it was decided to extend the Tender Offer Period until August 17, 2020, which is 10 business days after July 31, 2020, the submission date of the notification of revision of the Notification of Tender Offer for the above amendments.

- (ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy
 - (a) Background, Objectives, and Decision-Making Process behind the Tender Offeror's Decision to Implement the Tender Offer
- Pre-Amendment

<preceding text omitted>

Subsequently, in early April 2020, Bain Capital engaged in discussions with Mr. Mori and Mr. Tsuyoshi Terada based on the progress at that time of the due diligence that had been commenced in mid-February 2020 and other factors and determined that implementation of the Transaction is highly feasible and on April 23, 2020 established Tender Offeror as a special purpose acquisition company to implement the Transaction. The Company Group's main businesses are the medical-related business, nursing business, and daycare business, and even with the spread of the novel coronavirus (COVID-19), these businesses continue to fulfill their roles as social infrastructure, and it is not believed that the novel coronavirus had an impact on the feasibility of implementing the Transaction.

Based on the progress of the due diligence at that time and other factors, on April 7, 2020 Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital made an initial proposal to the Company of a Tender Offer Price of JPY1,300 per Share and purchase etc. prices per Stock Acquisition Right in the Tender Offer (the “Stock Acquisition Right Purchase Prices”) of JPY192 for the Series 1 Stock Acquisition Rights and JPY1,299 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights (In this section, each Stock Acquisition Right Purchase Price is obtained by multiplying the difference between the Tender Offer Price and the exercise price per Share that is the object of the relevant Stock Acquisition Right by 1, which is the number of common shares subject to each Stock Acquisition Right, and the same shall apply hereinafter.). Furthermore, in mid-April 2020, they proposed the execution of Tender Agreements with the Shareholders Agreeing to Tender. Later, on April 8, 2020, the Company requested increases in the Tender Offer Price and Stock Acquisition Right Purchase Prices, and in response, on April 14, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital resubmitted the proposal with a Tender Offer Price of JPY1,400 per Share and Stock Acquisition Right Purchase Prices of JPY292 for the Series 1 Stock Acquisition Rights and JPY1,399 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights. Subsequently, on April 17, 2020, the Company again requested increases in the Tender Offer Price and Stock Acquisition Right Purchase Prices, and on April 21, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital proposed a Tender Offer Price of JPY1,450 per Share and Stock Acquisition Right Purchase Prices of JPY342 for the Series 1 Stock Acquisition Rights and JPY1,449 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights. Following repeated discussions and negotiations with the Company regarding the conditions of the Transaction, which includes the Tender Offer, and the Company’s post-Transaction managerial policy, a decision was made on May 8, 2020 to commence the Tender Offer via the Tender Offeror as a part of the Transaction with a Tender Offer Price of JPY1,500 per Share and Stock Acquisition Right Purchase Prices of JPY392 for the Series 1 Stock Acquisition Rights and JPY1,499 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights.

Post-Amendment

<preceding text omitted>

Subsequently, in early April 2020, Bain Capital engaged in discussions with Mr. Mori and Mr. Tsuyoshi Terada based on the progress at that time of the due diligence that had been commenced in mid-February 2020 and other factors and determined that implementation of the Transaction is highly feasible and on April 23, 2020 established Tender Offeror as a special purpose acquisition company to implement the Transaction. The Company Group’s main businesses are the medical-related business, nursing business, and daycare business, and even with the spread of the novel coronavirus (COVID-19), these businesses continue to fulfill their roles as social infrastructure, and it is not believed that the novel coronavirus had an impact on the feasibility of implementing the Transaction. Based on the progress of the due diligence at that time and other factors, on April 7, 2020 Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital made an initial proposal to the Company of a Tender Offer Price of JPY1,300 per Share and purchase etc. prices per Stock Acquisition Right in the Tender Offer (the “Stock Acquisition Right Purchase Prices”) of JPY192 for the Series 1 Stock Acquisition Rights and JPY1,299 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights (In this section, each Stock Acquisition Right Purchase Price is obtained by multiplying the difference between the Tender Offer Price and the exercise price per Share that is the object of the relevant Stock Acquisition Right by 1, which is the number of common shares subject to each Stock Acquisition Right, and the same shall apply hereinafter.). Furthermore, in mid-April 2020, they proposed the execution of Tender Agreements with the Shareholders Agreeing to Tender. Later, on April 8, 2020,

the Company requested increases in the Tender Offer Price and Stock Acquisition Right Purchase Prices, and in response, on April 14, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital resubmitted the proposal with a Tender Offer Price of JPY1,400 per Share and Stock Acquisition Right Purchase Prices of JPY292 for the Series 1 Stock Acquisition Rights and JPY1,399 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights. Subsequently, on April 17, 2020, the Company again requested increases in the Tender Offer Price and Stock Acquisition Right Purchase Prices, and on April 21, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital proposed a Tender Offer Price of JPY1,450 per Share and Stock Acquisition Right Purchase Prices of JPY342 for the Series 1 Stock Acquisition Rights and JPY1,449 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights. Following repeated discussions and negotiations with the Company regarding the conditions of the Transaction, which includes the Tender Offer, and the Company's post-Transaction managerial policy, a decision was made on May 8, 2020 to commence the Tender Offer via the Tender Offeror as a part of the Transaction with a Tender Offer Price prior to the Amendment of Tender Offer Terms of JPY1,500 per Share and Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms of JPY392 for the Series 1 Stock Acquisition Rights and JPY1,499 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, and the Tender Offer was commenced from May 11, 2020.

Thereafter, in order to provide Company shareholders with an opportunity to make determinations in consideration of the fact that the market price of Shares had moved so as to surpass the Tender Offer Price, the Tender Offeror decided, on June 22, 2020, to extend the Tender Offer Period to July 9, 2020, and for the same reason, the Tender Offeror decided on July 9, 2020 to further extend the Tender Offer Period to August 3, 2020.

After the second extension of the Tender Offer Period, given the fact that the market price of the Shares has continued to shift upward to surpass the Tender Offer Price, in order to increase the likelihood of the successful establishment of the Tender offeror, on July 14, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital had a discussion with Effissimo which has held the Shares since its first investment in the Company in 2014 and currently holds 8,321,700 Shares (ownership ratio of 12.64%), and on the same date, they requested Effissimo to tender all of the Shares held by it in the Tender Offer. In response, Effissimo expressed its intention to continue to invest in the Company over the medium-to-long term and support various measures jointly, which are expected to be implemented by Bain Capital following the Tender Offer for enhancing the cooperate value of the Company. In response, given the factors that Effissimo holds the Shares over the medium-to-long term, and from before the announcement of the Tender Offer, it has a track record of repeated discussions and consideration with the Company on the business structure reform and other measures for enhancing the corporate value of the Company, Mr. Mori, Mr. Tsuyoshi Terada and Bain Capital decided to support the Company jointly with Effissimo. Then, on July 21, 2020, they made a proposal to Effissimo a scheme under which Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital will support the Company jointly with Effissimo in a form where Effissimo tenders or have tendered all of the Shares held by it or through EMC Master Fund in the Tender Offer, and it continues to make investments in the Company even after the implementation of the Transaction by having ECM Master Fund make capital contributions to BCJ-43. Following further several negotiations made with Effissimo, on July 31, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital reached an agreement with Effissimo to the effect that Effissimo will participate in the Transaction to make the Company private through the Transaction under the said scheme, and the Tender Offeror received the Commitment Letter from Effissimo, while BCJ-43 executed the Subscription Agreement with Effissimo. Further, given that the most recent market price of the Shares has shifted upward to surpass JPY 1,500, which is the Tender Offer Price before the change, Mr. Mori, Mr. Tsuyoshi Terada, Bain Capital, and Effissimo considered it was necessary to provide the Company's existing shareholders with an opportunity to

sell the Shares at an amount that is higher than the Tender Offer Price before the change, and Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital again negotiated with the Company and Effissimo, and finally, on July 31, 2020, they decided to change the Tender Offer Price from JPY1,500 to JPY1,670, as well as change the Stock Acquisition Right Purchase Prices to those obtained by multiplying the difference between JPY 1,670 or the Tender Offer Price after the change, and the exercise price per Share for each series of Stock Acquisition Rights by 1, which is the number of common shares subject to such stock acquisition rights. Specifically, the Tender Offeror sets the Stock Acquisition Right Purchase Price for the Series 1 Stock Acquisition Rights at JPY 562 or an amount obtained by multiplying JPY 562, which is the difference between the Tender Offer Price after the change and JPY 1,108, which is the exercise price per Share, and the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Right at JPY 1,669 or an amount obtained by multiplying JPY 1,669, which is the difference between the Tender Offer Price after the change and JPY 1, which is the exercise price per Share by 1, respectively. Further, in conjunction with the foregoing, according to laws and regulations, it was decided to extend the Tender Offer Period until August 17, 2020, which is 10 business days after July 31, 2020, the submission date of the notification of revision of the Notification of Tender Offer for the above amendments.

(b) Post-Tender Offer Managerial Policy
Pre-Amendment

<preceding text omitted>

After taking the Shares private through the Tender Offer, the Tender Offeror plans to provide to the Company the extensive investment target value enhancement know-how that Bain Capital has accumulated, provide the various forms of support described above including M&A, and implement measures to maximize the potential value of the Company's business.

The Transaction corresponds to a so called management buyout (MBO), and Mr. Mori intends to remain involved in the Company management even after establishment of the Tender Offer and he is considering investing directly or indirectly in the Tender Offeror to share the common objective for enhancing the corporate value. In addition, Mr. Daisuke Terada, the Company vice president and representative director decided to externally make clear his intention to continue supporting the Company as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Tender Offeror. Moreover, the Company managing director Mr. Tsuyoshi Terada decided to externally make clear his intention to remain involved in the Company management and, with the common objective for enhancing the corporate value, to continue supporting the Company as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Tender Offeror, although the specific amount and timing are undetermined at this time. The Tender Offeror is considering appointing Company directors nominated by Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital such that the number of directors nominated by Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital account for a majority of the Company directors. With the exception of Mr. Mori and Mr. Tsuyoshi Terada, the Tender Offeror has not reach agreement concerning post-Tender Offer appointment with any of the Company's directors or corporate auditors. The Tender Offeror plans to determine the particulars of the post-Tender Offer management structure including the composition of Company officers through discussions with the Company after establishment of the Tender Offer. Bain Capital is expected to execute an agreement for entrustment of the management of the Company with Mr. Mori and Mr. Tsuyoshi Terada; however, the details are undetermined at this time.

With regard to the post-Tender Offer employment of Company Group employees, at this time, the Tender Offeror plans to maintain current employment conditions. The Tender Offeror wishes to examine the adoption of stock options and performance-linked compensation and introduction of

other personnel measures by which an increase in corporate value will lead to better treatment of officers and employees.

Post-Amendment

<preceding text omitted>

After taking the Shares private through the Tender Offer, the Tender Offeror plans to provide to the Company the extensive investment target value enhancement know-how that Bain Capital has accumulated, provide the various forms of support described above including M&A, and implement measures to maximize the potential value of the Company's business. Further, Effissimo holds the Shares in the medium-to-long term and from about five years ago, it has a track record of several discussions and consideration with the Company on the business structure reform and other measures for enhancing the Company's corporate value, and the Tender Offeror plans to leverage Effissimo's profound knowledge and expertise on the Company's business and the structure reform accumulated through such experience to maximize and aim for the early realization of the effects of the various forms of support described above.

The Transaction corresponds to a so called management buyout (MBO), and Mr. Mori intends to remain involved in the Company management even after establishment of the Tender Offer and he is considering investing directly or indirectly in the Tender Offeror to share the common objective for enhancing the corporate value. In addition, Mr. Daisuke Terada, who was the Company representative director and vice president as of May 8, 2020, decided to externally make clear his intention to continue supporting the Company as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Tender Offeror. Moreover, the Company representative director and vice president Mr. Tsuyoshi Terada, who was managing director as of May 8, 2020, decided to externally make clear his intention to remain involved in the Company management and, with the common objective for enhancing the corporate value, to continue supporting the Company as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Tender Offeror, although the specific amount and timing are undetermined at this time. The Tender Offeror is considering appointing Company directors nominated by Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital such that the number of directors nominated by Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital account for a majority of the Company directors. With the exception of Mr. Mori and Mr. Tsuyoshi Terada, the Tender Offeror has not reach agreement concerning post-Tender Offer appointment with any of the Company's directors or corporate auditors. The Tender Offeror plans to determine the particulars of the post-Tender Offer management structure including the composition of Company officers through discussions with the Company after establishment of the Tender Offer. Bain Capital is expected to execute an agreement for entrustment of the management of the Company with Mr. Mori and Mr. Tsuyoshi Terada; however, the details are undetermined at this time.

With regard to the post-Tender Offer employment of Company Group employees, at this time, the Tender Offeror plans to maintain current employment conditions. The Tender Offeror wishes to examine the adoption of stock options and performance-linked compensation and introduction of other personnel measures by which an increase in corporate value will lead to better treatment of officers and employees.

Effissimo has agreed with the above management system and employment and compensation policies, and the Tender Offeror received the confirmation from Effissimo that such approval would not be changed in connection with Effissimo's involvement in the Transaction through its continuous investments into the Company even after the implementation of the Transaction. As of July 31, 2020, Effissimo intends to hold the Shares continuously through BCJ-43 in the medium-to-long term.

(iii) Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor
Pre-Amendment

<preceding text omitted>

Further, in light of factors including that the Tender Offer Price (JPY1,500) (i) in relation to the calculation results for the Share value by Deloitte Tohmatsu Financial Advisory set forth in “(3) Matters Relating to Calculation” below, is greater than the maximum amount of the range of the calculation results based on the market price analysis and the comparable company analysis and is within and the price near to the mid-value of the range of the calculation results using the DCF Analysis; (ii) represents a premium of 37.11% (rounded to the second decimal place; hereinafter, the same applies to premium values (expressed as a percentage) on the share price) on JPY1,094, which is the closing price of the Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, the business day immediately preceding the date of the announcement of the Tender Offer, a premium of 38.89% on JPY1,080 (rounded to the nearest whole yen; hereinafter, the same applies to simple averages of closing prices), which is the simple average closing price for the one-month period up to May 7, 2020, a premium of 33.57% on JPY1,123, which is the simple average closing price for three-month period up to such date, and a premium of 8.93% on JPY1,377, which is the simple average closing price for the six-month period up to such date, and it can be concluded that a premium is being added that is not inferior to the premiums in other recent MBO cases (the premium on the simple average closing price for the six-month period is a relatively low standard, but this appears to be due to a decline in the market price of the Shares since the Company released its “Preliminary Financial Statements for March 2020 Term Third Quarter Term [Japanese Standards] (Consolidated)” (“Third Quarter Preliminary Financial Statements”) on February 7, 2020; with regard to the reasons for this decline in the Share market price, lagging user acquisition etc. for the nursing division and health care division and the emergence of upfront costs in connection with the new construction and renovation of nursing service hubs have been given as primary reasons for the downward adjustment of the consolidated earnings projection and individual earnings projection in the “Notice Concerning Adjustment of Earnings Projections” released by the Company on November 12, 2019 (“Company Earnings Projection Adjustment”), and thus, one factor driving the decline in market price appears to be that the release of the Third Quarter Preliminary Financial Statements confirmed that the effects of establishing the nursing service hubs have been limited and the lag in user acquisition etc. is ongoing; in consideration of the foregoing, the market price of the Shares following the release of the Third Quarter Preliminary Financial Statements is believed to reflect the Company's current circumstances, and in the examination of the premiums on the Share market price, was deemed to be reasonable by virtue of amply securing premiums over the closing price for the business day immediately preceding the date of announcement of the Tender Offer, the simple average closing price for the immediately preceding one-month period, and the simple average closing price for the immediately preceding three-month period); (iii) is found to pay consideration to the interests of minority shareholders in that, among other things, the measures set forth in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” have been taken to eliminate any conflicts of interest; (iv) was decided after the above measures to eliminate conflicts of interest were taken and the Company and the Tender Offeror engaged in discussions and negotiations on several occasions, namely, after the Company and the Tender Offeror sincerely and continuously engaged in discussions and negotiations while referring to the calculation results for the share value of the Shares by Deloitte Tohmatsu Financial Advisory, discussions with the Special Committee, and legal advice received from Kitahama Partners, etc.; and (v) realizes a significant increase in the price

proposal for the Tender Offer at the request of the Special committee, and also that the Stock Acquisition Right Purchase Prices were set at the amounts obtained by multiplying the difference between Tender Offer Price of JPY1,500 and the exercise price per Share that is the object of the relevant Stock Acquisition Rights by 1, which is the number of common shares subject to each Stock Acquisition Right (specifically, JPY392 for the Series 1 Stock Acquisition Rights, which is the amount obtained by multiplying JPY392, the difference relative to the exercise price per Share of JPY1,108, by 1, and JPY1,499 for the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights, which is the amount obtained by multiplying JPY1,499, the difference relative to the exercise price per Share of JPY1, by 1), and were calculated on the basis of the Tender Offer Price, the Board of Directors determined regarding the Transaction that the Transaction including the Tender Offer can be expected to improve the Company's corporate value, that the Tender Offer Price and the Stock Acquisition Right Purchase Prices, as well as the other conditions for the Tender Offer are appropriate with respect to the Company's shareholders and Stock Acquisition Right Holders, and that the Tender Offer provides the Company's shareholders and Stock Acquisition Right Holders with a reasonable opportunity to sell their Shares and Stock Acquisition Rights.

In light of the foregoing, at the meeting of the Board of Directors held today, the directors participating in deliberations and voting (six directors, excluding Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Sugimoto) unanimously passed a resolution to state an opinion in favor of the Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Right Holders tender their shares etc. in the Tender Offer. Three statutory auditors of the Company attended the meeting of the Board of Directors, and each of the statutory auditors in attendance stated that he or she had no objection to the resolution.

However, it should be noted that Mr. Mori is expected to remain engaged in the management of the Company after the establishment of the Tender Offer, and he is considering investing directly or indirectly in the Tender Offeror to share the common objective for enhancing the corporate value; Company vice president and representative director Mr. Daisuke Terada decided to externally make clear that he intends to continue supporting the Company as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Tender Offeror; the Company managing director Mr. Tsuyoshi Terada decided to externally make clear that he will remain involved in Company management and, with the common object for enhancing the corporate value, intends to continue supporting the Company as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Tender Offeror; and Company outside director Mr. Sugimoto is concurrently serving as Japan representative of Bain Capital, which provides investment advice to an investment fund that indirectly owns all outstanding shares of BCJ-43, which in turn owns all outstanding shares of the Tender Offeror. These four directors therefore have conflicts of interest with the Company in relation to the Transaction, and thus, as specially-interested directors, they did not in any way participate in the deliberations or voting in the above meeting of the Board of Directors, nor did they have any role in the consultations and negotiations with the Tender Offeror from the Company's position.

Post-Amendment

<preceding text omitted>

Further, in light of factors including that the Tender Offer Price prior to the Amendment of Tender Offer Terms (JPY1,500) (i) in relation to the calculation results for the Share value by Deloitte Tohmatsu Financial Advisory set forth in "(3) Matters Relating to Calculation" below, is greater than the maximum amount of the range of the calculation results based on the market price analysis and the comparable company analysis and is within and the price near to the mid-value of the range of

the calculation results using the DCF Analysis; (ii) represents a premium of 37.11% (rounded to the second decimal place; hereinafter, the same applies to premium values (expressed as a percentage) on the share price) on JPY1,094, which is the closing price of the Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, the business day immediately preceding the date of the announcement of the Tender Offer, a premium of 38.89% on JPY1,080 (rounded to the nearest whole yen; hereinafter, the same applies to simple averages of closing prices), which is the simple average closing price for the one-month period up to May 7, 2020, a premium of 33.57% on JPY1,123, which is the simple average closing price for three-month period up to such date, and a premium of 8.93% on JPY1,377, which is the simple average closing price for the six-month period up to such date, and it can be concluded that a premium is being added that is not inferior to the premiums in other recent MBO cases (the premium on the simple average closing price for the six-month period is a relatively low standard, but this appears to be due to a decline in the market price of the Shares since the Company released its “Preliminary Financial Statements for March 2020 Term Third Quarter Term [Japanese Standards] (Consolidated)” (“Third Quarter Preliminary Financial Statements”) on February 7, 2020; with regard to the reasons for this decline in the Share market price, lagging user acquisition etc. for the nursing division and health care division and the emergence of upfront costs in connection with the new construction and renovation of nursing service hubs have been given as primary reasons for the downward adjustment of the consolidated earnings projection and individual earnings projection in the “Notice Concerning Adjustment of Earnings Projections” released by the Company on November 12, 2019 (“Company Earnings Projection Adjustment”), and thus, one factor driving the decline in market price appears to be that the release of the Third Quarter Preliminary Financial Statements confirmed that the effects of establishing the nursing service hubs have been limited and the lag in user acquisition etc. is ongoing; in consideration of the foregoing, the market price of the Shares following the release of the Third Quarter Preliminary Financial Statements is believed to reflect the Company’s current circumstances, and in the examination of the premiums on the Share market price, was deemed to be reasonable by virtue of amply securing premiums over the closing price for the business day immediately preceding the date of announcement of the Tender Offer, the simple average closing price for the immediately preceding one-month period, and the simple average closing price for the immediately preceding three-month period); (iii) is found to pay consideration to the interests of minority shareholders in that, among other things, the measures set forth in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” have been taken to eliminate any conflicts of interest; (iv) was decided after the above measures to eliminate conflicts of interest were taken and the Company and the Tender Offeror engaged in discussions and negotiations on several occasions, namely, after the Company and the Tender Offeror sincerely and continuously engaged in discussions and negotiations while referring to the calculation results for the share value of the Shares by Deloitte Tohmatsu Financial Advisory, discussions with the Special Committee, and legal advice received from Kitahama Partners, etc.; and (v) realizes a significant increase in the price proposal for the Tender Offer at the request of the Special committee, and also that the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms were set at the amounts obtained by multiplying the difference between Tender Offer Price prior to the Amendment of Tender Offer Terms of JPY1,500 and the exercise price per Share that is the object of the relevant Stock Acquisition Rights by 1, which is the number of common shares subject to each Stock Acquisition Right (specifically, JPY392 for the Series 1 Stock Acquisition Rights, which is the amount obtained by multiplying JPY392, the difference relative to the exercise price per Share of JPY1,108, by 1, and JPY1,499 for the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights, which is the amount obtained by multiplying JPY1,499, the difference relative to the exercise price per Share of JPY1, by 1), and were calculated on the basis of the Tender Offer Price

prior to the Amendment of Tender Offer Terms, the Board of Directors determined regarding the Transaction that the Transaction including the Tender Offer can be expected to improve the Company's corporate value, that the Tender Offer Price and the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms, as well as the other conditions for the Tender Offer are appropriate with respect to the Company's shareholders and Stock Acquisition Right Holders, and that the Tender Offer provides the Company's shareholders and Stock Acquisition Right Holders with a reasonable opportunity to sell their Shares and Stock Acquisition Rights.

In light of the foregoing, at the meeting of the Board of Directors held on May 8, 2020, the directors participating in deliberations and voting (six directors, excluding Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Sugimoto) unanimously passed a resolution to state an opinion in favor of the Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Right Holders tender their shares etc. in the Tender Offer.

Subsequently, in response to the Tender Offeror's decision on the Amendment of Tender Offer Terms, and in the light of the background and content of the Amendment of Tender Offer Terms, the process behind the Tender Offeror's decision to receive the Commitment Letter from Effissimo and to have the Subscription Agreement executed, the outline of the Commitment Letter and the Subscription Agreement, and the opinions of the Special Committee relating to a series of these processes and transactions, the Board of Directors carefully deliberated those matters at a meeting held on July 31, 2020, and confirmed that even on the basis of the Amendment of Tender Offer Terms, it is expected that taking the Shares private through the Transaction, including the Tender Offer, would contribute to enhancing the Company Group's corporate value; while Effissimo holds the Shares in the medium-to-long term, and from about five years ago, it has a track record of repeated discussions and consideration with the Company on various measures for enhancing the Company's corporate value, including the Company's business structure reform, it has not presented any opposing or competing opinion against the Company's management policy so far; and, according to the explanation given to the Company by the Tender Offeror, though Effissimo has no plans to dispatch any officer or staff members to the Company, it has expressed its intention to support various measures for enhancing the corporate value of the Company jointly, which are expected to be implemented by the Tender Offeror following the Tender Offer; therefore, there is no factor that may obstruct the business structure reform to be undertaken by Bain Capital and the Tender Offeror. Furthermore, for the Tender Offer Price of JPY1,670 as amended by the Amendment of Tender Offer Terms, taking into consideration the trend of the stock market since the commencement of the Tender Offer, Deloitte Tohmatsu Financial Advisory, an independent calculation agent, examined the content of the Share Valuation Report on May 7, 2020, and as a result, it confirmed that there was no material change in the current condition or future outlooks of the Company's business or other information; thus, there were no material changes in the calculation results of the share value of the Share. In addition, the Tender Offer Price as amended by the Amendment of Tender Offer Terms of JPY1,670 (i) in relation to the calculation results for the Share value by Deloitte Tohmatsu Financial Advisory set forth in "(3) Matters Relating to Calculation" below, is greater than the middle value of the range of the calculation results using the DCF Analysis; (ii) represents a premium of 52.65% on JPY1,094, which is the closing price of the Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the date of the announcement of the Tender Offer, a premium of 54.63% on JPY1,080, which is the simple average closing price for the one-month period up to May 7, 2020, a premium of 48.71% on JPY1,123, which is the simple average closing price for the three-month period up to such date, and a premium of 21.28% on JPY1,377, which is the simple average closing price for the six-month period up to such date, and also represents premiums of 7.74% on JPY1,550, which is the closing price of the Shares on the First Section of the Tokyo Stock Exchange on July 30, 2020, which is the business day immediately preceding the date

of the decision for the Amendment of Tender Offer Terms and 3.73% on JPY1,610, which is the simple average closing price for the period from May 11, 2020, which is the business day immediately following the date of the announcement of the Tender Offer to July 30, 2020, which is the business day immediately preceding the date of the decision for the Amendment of Tender Offer Terms, and together with this the Stock Acquisition Right Purchase Prices as amended by the Amendment of Tender Offer Terms were set at the amounts obtained by multiplying the difference between the Tender Offer Price as amended by the Amendment of Tender Offer Terms of JPY1,670 and the exercise price per Share that is the object of the relevant Stock Acquisition Rights by 1, which is the number of common shares subject to each Stock Acquisition Right (specifically, JPY562 for the Series 1 Stock Acquisition Rights, which is the amount obtained by multiplying JPY562, the difference relative to the exercise price per Share of JPY1,108, by 1, and JPY1,669 for the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights, which is the amount obtained by multiplying JPY1,669, the difference relative to the exercise price per Share of JPY1, by 1), and these amounts were calculated on the basis of the Tender Offer Price as amended by the Amendment of Tender Offer Terms, and in view of trends in the market price of the Shares since the commencement of the Tender Offer, the Tender Offer Price as amended by the Amendment of Tender Offer Terms, the Stock Acquisition Right Purchase Prices as amended by the Amendment of Tender Offer Terms, and the other conditions for the Tender Offer are reasonable for Company shareholders and Stock Acquisition Right Holders, and there is no change in the thinking that the Tender Offer provides reasonable opportunity for Company shareholders and Stock Acquisition Right Holders to sell their Shares and Stock Acquisition Rights, the Company passed a resolution to maintain its opinion in favor of the Tender Offer as previously announced in the May 8, 2020 Press Release and maintain its recommendation for Company shareholders and Stock Acquisition Right Holders to tender their Shares and Stock Acquisition Rights in the Tender Offer.

Three statutory auditors of the Company attended each of the Board of Directors meetings described above, and each of the statutory auditors in attendance stated that he or she had no objection to the resolutions.

However, it should be noted that Mr. Mori is expected to remain engaged in the management of the Company after the establishment of the Tender Offer, and he is considering investing directly or indirectly in the Tender Offeror to share the common objective for enhancing the corporate value; Mr. Daisuke Terada, who was the Company representative director and vice president as of May 8, 2020, decided to externally make clear that he intends to continue supporting the Company as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Tender Offeror; the Company representative director and vice president Mr. Tsuyoshi Terada, who was managing director as of May 8, 2020, decided to externally make clear that he will remain involved in Company management and, with the common object for enhancing the corporate value, intends to continue supporting the Company as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Tender Offeror; and Company outside director Mr. Sugimoto is concurrently serving as Japan representative of Bain Capital, which provides investment advice to an investment fund that indirectly owns all outstanding shares of BCJ-43, which in turn owns all outstanding shares of the Tender Offeror. These four directors therefore have conflicts of interest with the Company in relation to the Transaction, and thus, as specially-interested directors, they did not in any way participate in the deliberations or voting in the above meeting of the Board of Directors, nor did they have any role in the consultations and negotiations with the Tender Offeror from the Company's position(Mr. Daisuke Terada retired as representative director and director on June 24, 2020, and since then has not held the position of a director, he did not participate in the Board of Directors meeting held on July 30, 2020).

(3) Matters Relating to Calculation

(ii) Overview of Calculations

Pre-Amendment

<preceding text omitted>

The Tender Offer also covers Stock Acquisition Rights, and the Stock Acquisition Right Purchase Prices have been set to the amounts obtained by multiplying the difference between the JPY1,500 Tender Offer Price and the exercise price per Share for the relevant Stock Acquisition Rights by 1, which is the number of common shares subject to each such Stock Acquisition Right. More specifically, the Tender Offeror has determined, for the Series 1 Stock Acquisition Rights, a price of JPY392 (*i.e.*, the JPY392 difference from the JPY1,108 exercise price per common Share for such Stock Acquisition Rights, *times* 1), and for the Series 2 through Series 6 Stock Acquisition Rights, a price of JPY 1,499 (*i.e.*, the JPY1,499 difference from the JPY1 exercise price per common Share for such Stock Acquisition Rights, *times* 1); because these prices were calculated on the basis of the Tender Offer Price, the Company did not obtain a formal calculation or a fairness opinion from any third-party valuation agency in regard to the Stock Acquisition Right Purchase Prices.

In addition, all of the Stock Acquisition Rights were issued to officers and employees etc. of the Company and officers of Company subsidiaries in the form of stock options; the Stock Acquisition Right Issuance Guidelines require approval by the Board of Directors for any acquisition through assignment of Stock Acquisition Rights, and the Stock Acquisition Right Allotment Agreements prohibit assignment. To ensure that the Stock Acquisition Rights can be assigned, the Company has resolved, in the Board of Directors meeting held today, that subject to the establishment of the Tender Offer, blanket approval will be given for all Stock Acquisition Right Holders to assign their Stock Acquisition Rights to the Tender Offeror by tendering their rights in the Tender Offer, and the particulars of Share Acquisition Right Allotment Agreements with Stock Acquisition Right Holders wishing to assign such rights will be amended to allow for such assignment.

Post-Amendment

<preceding text omitted>

The Tender Offer also covers Stock Acquisition Rights, and the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms have been set to the amounts obtained by multiplying the difference between the JPY1,500 Tender Offer Price prior to the Amendment of Tender Offer Terms and the exercise price per Share for the relevant Stock Acquisition Rights by 1, which is the number of common shares subject to each such Stock Acquisition Right. More specifically, the Tender Offeror has determined, for the Series 1 Stock Acquisition Rights, a price of JPY392 (*i.e.*, the JPY392 difference from the JPY1,108 exercise price per common Share for such Stock Acquisition Rights, *times* 1), and for the Series 2 through Series 6 Stock Acquisition Rights, a price of JPY 1,499 (*i.e.*, the JPY1,499 difference from the JPY1 exercise price per common Share for such Stock Acquisition Rights, *times* 1); because these prices were calculated on the basis of the Tender Offer Price prior to the Amendment of Tender Offer Terms, the Company did not obtain a formal calculation or a fairness opinion from any third-party valuation agency in regard to the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms.

In addition, all of the Stock Acquisition Rights were issued to officers and employees etc. of the Company and officers of Company subsidiaries in the form of stock options; the Stock Acquisition Right Issuance Guidelines require approval by the Board of Directors for any acquisition through assignment of Stock Acquisition Rights, and the Stock Acquisition Right Allotment Agreements prohibit assignment. To ensure that the Stock Acquisition Rights can be assigned, the Company has resolved, in the Board of Directors meeting held on May 8, 2020, that subject to the establishment of the Tender Offer, blanket

approval will be given for all Stock Acquisition Right Holders to assign their Stock Acquisition Rights to the Tender Offeror by tendering their rights in the Tender Offer, and the particulars of Share Acquisition Right Allotment Agreements with Stock Acquisition Right Holders wishing to assign such rights will be amended to allow for such assignment.

Note that in representing an opinion relating to the Amendment of Tender Offer Terms, there were no material changes in their current condition or future outlooks of the Company's business or other information forming the basis of the Share Valuation Report obtained from Deloitte Tohmatsu Financial Advisory on May 7, 2020, and therefore the Company did not obtain a new share valuation report relating to the share value of the Shares.

(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)

(ii) Consolidation of Shares

Pre-Amendment

If after establishment of the Tender Offer, the aggregate voting rights held by the Tender Offeror and Meiwa (special controlling shareholder wholly-owned subsidiary) is not at least 90% of the voting rights of all Company shareholders, promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Company convene an extraordinary general shareholders meeting that includes on the agenda proposals to implement consolidation of the Shares (the "Share Consolidation") pursuant to Article 180 of the Companies Act and partial amendment of the Articles of Incorporation to eliminate provisions concerning the number of shares constituting one unit, conditioned on the Share Consolidation coming into effect (the "Extraordinary General Shareholders Meeting"). The Tender Offeror believes that convening the Extraordinary General Shareholders Meeting at the earliest possible time would be desirable from the perspective of enhancing the Company's corporate value and plans to make a request to announce designation of the record date such that a day (currently scheduled for late-August, 2020) shortly after the day of commencement of settlement of the Tender Offer is the record date for the Extraordinary General Shareholders Meeting. In the case where the Company receives such a request from the Tender Offeror, the Company plans to comply with that request. The Tender Offeror and Meiwa plan to vote for the proposals described above at the Extraordinary General Shareholders Meeting.

<subsequent text omitted>

Post-Amendment

If after establishment of the Tender Offer, the aggregate voting rights held by the Tender Offeror and Meiwa (special controlling shareholder wholly-owned subsidiary) is not at least 90% of the voting rights of all Company shareholders, promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Company convene an extraordinary general shareholders meeting that includes on the agenda proposals to implement consolidation of the Shares (the "Share Consolidation") pursuant to Article 180 of the Companies Act and partial amendment of the Articles of Incorporation to eliminate provisions concerning the number of shares constituting one unit, conditioned on the Share Consolidation coming into effect (the "Extraordinary General Shareholders Meeting"). The Tender Offeror believes that convening the Extraordinary General Shareholders Meeting at the earliest possible time would be desirable from the perspective of enhancing the Company's corporate value and plans to make a request to announce designation of the record date such that a day (currently scheduled for early-September, 2020) shortly after the day of commencement of settlement of the Tender Offer is the record date for the Extraordinary General Shareholders Meeting. In the case where the Company receives such a request from the Tender Offeror, the Company plans to comply with that request. The Tender Offeror and Meiwa plan to vote for the proposals described above at the Extraordinary General Shareholders Meeting.

<subsequent text omitted>

(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer

(i) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency

Pre-Amendment

To ensure the fairness of the decision-making process regarding the Tender Offer Price presented by the Tender Offeror, the Company requested Deloitte Tohmatsu Financial Advisory, as a third-party valuation agency that is independent from the Tender Offeror-Related Persons, to calculate the share value of the Company Shares, and procured the Share Valuation Report on May 7, 2020.

Deloitte Tohmatsu Financial Advisory does not fall under a related person of any of the Tender Offeror-Related Persons, and does not have any material interests in regard to the Transaction including the Tender Offer. Further, at the first meeting of the Special Committee, the Special Committee confirmed that there are no issues with respect to the independence of Deloitte Tohmatsu Financial Advisory, and approved Deloitte Tohmatsu Financial Advisory as a third-party valuation agency for the Company.

For an overview of the Share Valuation Report, refer to “(ii) Overview of Calculations” under “(3) Matters Relating to Calculation” above.

Post-Amendment

To ensure the fairness of the decision-making process regarding the Tender Offer Price prior to the Amendment of Tender Offer Terms presented by the Tender Offeror, the Company requested Deloitte Tohmatsu Financial Advisory, as a third-party valuation agency that is independent from the Tender Offeror-Related Persons, to calculate the share value of the Company Shares, and procured the Share Valuation Report on May 7, 2020.

Deloitte Tohmatsu Financial Advisory does not fall under a related person of any of the Tender Offeror-Related Persons, and does not have any material interests in regard to the Transaction including the Tender Offer. Further, at the first meeting of the Special Committee, the Special Committee confirmed that there are no issues with respect to the independence of Deloitte Tohmatsu Financial Advisory, and approved Deloitte Tohmatsu Financial Advisory as a third-party valuation agency for the Company.

For an overview of the Share Valuation Report, refer to “(ii) Overview of Calculations” under “(3) Matters Relating to Calculation” above.

(iii) Establishment of a Special Committee at the Company; Procuring a Written Report

Pre-Amendment

<preceding text omitted>

Further, since the Company’s receipt of a proposal from the Tender Offeror on April 7, 2020 to the effect that the Tender Offer Price will be JPY1,300 per Share and the Stock Acquisition Right Purchase Prices will be JPY192 for Series 1 Stock Acquisition Rights and JPY1,299 for Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, the Special Committee has received, from time to time, reports concerning the process and details etc. of consultations and negotiations between the Company and the Tender Offeror relating to the Transaction, and discussed matters such as policies for dealing with the same. Then on April 14, 2020, the Tender Offeror proposed a Tender Offer Price of JPY1,400 per Share and Stock Acquisition Right Purchase Prices of JPY292 for Series 1 Stock Acquisition Rights and JPY1,399 for Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, and on April 21, 2020, the Tender Offeror proposed a Tender Offer Price of JPY 1,450 per Share and Stock Acquisition Right

Purchase Prices of JPY342 for Series 1 Stock Acquisition Rights and JPY1,449 for Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights and after reviewing and considering such proposal in light of Deloitte Tohmatsu Financial Advisory's advice from a financial perspective that included analyses concerning premiums in recent MBO deals, the Special Committee demanded that the Tender Offeror increase the Tender Offer Price and was otherwise involved in the negotiations process with the Tender Offeror; as a result, on April 30, 2020, the Company received from the Tender Offeror a proposal for a Tender Offer Price of JPY1,500 per Share and Stock Acquisition Right Purchase Prices of JPY392 for Series 1 Stock Acquisition Rights and JPY1,499 for Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights.

<omitted>

(b) The appropriateness of the terms of the Transaction (including the tender offer price)

(i) The Share Valuation Report that the Company obtained from Deloitte Tohmatsu Financial Advisory, a third-party valuation agency independent of Tender Offeror-Related Persons, sets forth that the Share value is in the range of JPY1,080 to JPY1,377 in the market price analysis, in the range of JPY894 to JPY 1,255 in the comparable company analysis, and in the range of JPY1,316 to JPY1,779 in the DCF analysis; this means that the Tender Offer Price is greater than the maximum amounts of the ranges of the calculation results based on the market price analysis and the comparable company analysis and is within and the price near to the mid-value of the range of the calculation results using the DCF analysis; meanwhile the Special Committee received from Deloitte Tohmatsu Financial Advisory detailed explanations on the calculation methods etc. used in the share valuation, and asked Deloitte Tohmatsu Financial Advisory and the Company questions with regard to the selection of valuation methods, the selection of comparable companies and multiples used as metrics in the comparable company analysis, and matters that served as the basis for calculation in the DCF analysis (the Company's business plans, its financial forecasts based on such business plans, the calculation methods of its going concern value, and the grounds for calculation of the discount rate etc.), and then carried out a review; as a result, no unreasonableness was found in light of general valuation practices; moreover, the Tender Offer Price represents a premium of 37.11% over the closing price (JPY1,094) of the Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020; a premium of 38.89% over the simple average closing price (JPY1,080) for the one-month period up to May 7, 2020; a premium of 33.57% over the simple average closing price (JPY1,123) for the three-month period up to such date; and a premium of 8.93% over the simple average closing price (JPY1,377) for the six-month period up to such date, and it can be concluded that a premium is being added that is not inferior to the premiums in other recent MBO cases (The premium on the simple average closing price for the last six-month period is a relatively low standard, but this appears to be due to a decline in the market price of the Shares since the announcement by the Company of the Third Quarter Preliminary Financial Statements on February 7, 2020. With regard to the reasons for this decline in the Share market price, one factor can be considered; even though lagging user acquisition etc. for the nursing division and healthcare division and the emergence of upfront costs in connection with new constructions and renovations of nursing service hubs were given as primary reasons for the Company Earnings Projection Adjustment announced by the Company on November 12, 2019, the release of the Third Quarter Preliminary Financial Statements confirmed that the effects of establishing the nursing service hubs have been limited and the lag in user acquisition etc. is ongoing. Accordingly, the market price of the Shares following the release of the Third Quarter Preliminary Financial Statements is believed to reflect the Company's current actual circumstances. Given the foregoing, after the examination of the premiums on the Share market price, the Special Committee can determine that it is reasonable by virtue of amply securing premiums over the closing price for the business day immediately before the date of announcement of the Tender Offer, the simple average closing price for the last one-month period, and the simple average closing price for the last

three-month period. In addition, the Company Earnings Projection Adjustment was announced because the results of a tally of the Company's recent earnings reached the standards for timely disclosure, and there appears to be no reason etc. for an arbitrary downward adjustment, and furthermore at the time of the announcement of the Company Earnings Projection Adjustment, no proposal or examination of the Transaction whatsoever was being carried out; therefore, there appears to be no circumstances in particular that lead one to believe that the Company improperly lowered the market share price through the Company Earnings Projection Adjustment);

(ii) as stated in "(c) The fairness of the negotiations process and other procedures for the Transaction" below, the negotiations process procedures for the Transaction, including the Tender Offer, are found to be fair, and the Tender Offer Price and the Stock Acquisition Right Purchase Prices are found to have been determined in light of the outcome of such negotiations;

(iii) the Transaction is carried out under a scheme that the Tender Offeror will indirectly acquire the Meiwa-Owned Company Shares by receiving the transfer of the Meiwa Shares from Meiwa Shareholder while implementing the Tender Offer for issued common shares and the Stock Acquisition Rights of the Company excluding the Meiwa-Owned Company Shares ("Scheme"). Given the fact that Meiwa is an asset management company that currently has no assets other than Shares, cash and deposits, and tax assets, the Meiwa Share Transfer Amount is set at the amount that provides economic value equivalent to the value that would be received by Meiwa Shareholder in exchange of tendering their Meiwa-Owned Company Shares in the Tender Offer; thus, it would not be contrary to the uniformity of the tender offer price. Therefore, it is found that the Scheme would not give Meiwa Shareholder any unfair profits, there is no irregular points in the Scheme, and it would not cause any disadvantage on minority shareholders.

(iv) as the minority shareholders who did not tender their Shares in the Tender Offer will eventually be paid monies in the Squeeze-Out Procedures to be performed following the Tender Offer, computation will be made so that the amount of money to be paid in such procedures will be equal to the price obtained by multiplying the Tender Offer Price by the number of Shares held by those shareholders, the Demand for Share Cash-Out or Share Consolidation planned in the Squeeze-Out Procedures is a general method used in cases comparable to the Transaction, and in either method an opportunity for minority shareholders to state any objection to the consideration is provided, and due to the foregoing and other reasons, the procedures are found to be reasonable;

(v) the Stock Acquisition Right Purchase Prices are set as the amounts obtained by multiplying the difference between the Tender Offer Price (JPY1,500) and the exercise price per Share for the Stock Acquisition Rights (JPY392 for the Series 1 Stock Acquisition Rights and JPY1,499 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights) by 1, which is the number of Shares subject to each Stock Acquisition Right, thus are calculated on the basis of the Tender Offer Price; and

(vi) consideration for the Transaction will be money, and in light of the Tender Offeror being an unlisted company, the type of consideration is considered to be appropriate;

in light of the foregoing and as a result of careful discussions and reviews, the Special Committee has determined that the implementation method and the scheme of the Transaction, and the type and the amount of consideration to be paid to the Company's minority shareholders in the Transaction and other terms of the Transaction are appropriate.

(c) The fairness of the negotiations process and other procedures for the Transaction.

(i) In light of factors such as the Transaction being carried out as part of a so-called management

buyout (MBO), where there may be an inherent conflict of interest, and from the perspective of ensuring the fairness of the Tender Offer Price and the Stock Acquisition Right Purchase Prices, eliminating arbitrariness in the decision-making process behind the decision to implement the Tender Offer, and avoiding conflicts of interest, the Company, in examining the Transaction, obtained advice and opinions etc. from third-party valuation agency and financial advisor Deloitte Tohmatsu Financial

Advisory and legal advisor Kitahama Partners, both of which are independent from the Tender Offeror-Related Persons, and from the perspective of enhancing the Company's corporate value and of the shared interests of shareholders, carefully examined and discussed the appropriateness of the Tender Offer Price and other purchase conditions of the Tender Offer, the fairness of the series of procedures for the Transaction and other points, and the Special Committee has confirmed that there was no problem with the independence and the expertise of Deloitte Tohmatsu Financial Advisory and Kitahama Partners and approved them as the Company's third-party valuation agency and the legal advisor;

(ii) the Company, pursuant to the negotiation policy approved by the Special Committee in advance, conducted substantial discussions and negotiations with the Tender Offeror to ensure the fairness of the Tender Offer Price and the Stock Acquisition Right Purchase Prices from the perspective of protecting the interests of minority shareholders, and specifically, the Company through Deloitte Tohmatsu Financial Advisory conducted price negotiations, including presenting a counter proposal price approved by the Special Committee, via Nomura Securities Co., Ltd., the financial advisor for the Tender Offeror, and as a result of such negotiations, before reaching the decision to set the Tender Offer Price at JPY1,500 per Share, elicited a price increase of JPY200 in total of three (3) times from the Tender Offeror's initial proposal of JPY1,300 per Share, and in connection with this elicited a price increase of JPY200 in a total for the Stock Acquisition Right Purchase Prices as well;

(iii) the directors who examined and negotiated the Transaction as the representatives of the Company did not include any director who had special interests in the Transaction, or otherwise no fact was found that suggests that the Tender Offer-Related Persons or any other person with special interests in the Transaction had an improper impact on the Company during the process of the discussions, examinations and negotiations relating to the Transaction;

(iv) with respect to the Tender Offer, the Tender Offer Period will be set as a period of 31 business days, which is longer than the statutory minimum of 20 business days; seeking to ensure that opportunities for persons other than the Tender Offeror ("Counterbidders") to make counteroffers etc. are not improperly restricted, the Tender Offeror and the Company have not executed any agreement including a deal protection provision prohibiting contact by the Company with Counterbidders or any other agreement restricting contact by a Counterbidder with the Company; together with the setting of the Tender Offer Period, by securing an opportunity for counterbidding, consideration is paid to ensure the fairness of the Tender Offer, and moreover, even though a proactive market check has not been conducted for the Transaction, in addition to the perspective of information management, Bain Capital, which owns and operates the Tender Offeror, is a global fund known for its expertise in the healthcare field, and Mr. Sugimoto, the Japan representative of Bain Capital, has a track record of contributing to enhancement of the Company's corporate value and devising a business strategy as an outside director of the Company since June 2015, and thus has a strong understanding of the Company's management situation and has already built a relationship of trust; in light of these factors, even if a proactive market check were carried out, it would be hardly effective, and thus it is thought that not carrying out such a market check will not particularly hinder the fairness of the Transaction;

(v) the Tender Offeror has agreed with Meiwa Shareholder that all Meiwa Shares will be transferred to the Tender Offeror in the Tender Offer and has agreed with Shareholders Agreeing to Tender that Tender-Agreed Shares etc. will be tendered in the Tender Offer; that means the total of Meiwa-Owned Company Shares (16,303,849 shares, ownership ratio of 24.76%) and Tender-Agreed Shares etc. (Shares: 12,478,503 shares, Stock Acquisition Rights: 212,000 units (number of subject shares: 212,000 shares), ownership ratio of 19.28%) is 28,782,352 Shares and 212,000 Stock Acquisition Rights (number of subject shares: 212,000 shares), and the combined ownership ratio is 44.04%; accordingly, the Tender Offeror believed that deducting these Meiwa-Owned Company Shares and Tender-Agreed Shares etc. and setting a so-called "majority of minority" lower limit of the number of shares planned to be purchased in the Tender Offer may prevent stable establishment of the Tender Offer and may, rather,

cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender Shares therein; in view of this, the Tender Offeror has set the lower limit of the number of shares planned to be purchased (27,586,100 shares) in the Tender Offer at 100 shares *times* the number of voting rights (275,861 units) obtained by subtracting the number of voting rights (163,038 units) pertaining to Meiwa-Owned Company Shares from two-thirds of the number of voting rights (658,348 units) pertaining to the Company's Total Number of Shares After Accounting for Potential Shares (65,834,847 shares) (two-thirds of these voting rights equals 438,899 units; rounded up to the nearest whole number); however, given that this lower limit requires approval on a scale corresponding to approximately 40.51% of Company shareholders and the Stock Acquisition Right Holders (ownership ratio: 55.85 %) other than Meiwa and Shareholders Agreeing to Tender, and it can be said that approval of a certain number of Company shareholders and the Stock Acquisition Right Holders other than Shareholders Agreeing to Tender is a precondition, and further, it is believed that the interests of the Company's minority shareholders are sufficiently taken into consideration through other measures serving to ensure the fairness of the Tender Offer; moreover, as the outbreak of the novel coronavirus has made the stock market unstable and it is uncertain when the outbreak will wind down, the future outlook is unclear, and it is believed that respecting the choice by minority shareholders wishing to avoid an unclear market environment going forward to tender their Shares in the Tender Offer and sell the Shares at the price with a substantial premium will also benefit minority shareholders, and therefore it is believed that not setting "majority of minority" conditions in the Tender Offer cannot be said to immediately undermine the fairness of the procedures of the Transaction; in view of the foregoing, and as a result of careful discussions and examinations, the Special Committee determined that proper measures have been taken to ensure the fairness of the Transaction and thus the negotiations process and other procedures for the Transaction are fair.

(d) Whether, in light of (a) through (c) above, the Transaction are disadvantageous to the Company's minority shareholders.

As a result of a careful review in light of (a) through (c) above and other matters, a determination was made that the Transaction is not disadvantageous to the Company's minority shareholders.

Note that this opinion includes the findings that the decisions by the Board of Directors (i) to state an opinion in favor of the Tender Offer and to recommend that Company shareholders and Stock Acquisition Right Holders tender their Shares and Stock Acquisition Rights in the Tender Offer and (ii) to perform, following the Tender Offer, the Squeeze-Out Procedures using the method of Demand for Share etc. Cash-Out or Share Consolidation are not disadvantageous to the minority shareholders.

Post-Amendment

<preceding text omitted>

Further, since the Company's receipt of a proposal from the Tender Offeror on April 7, 2020 to the effect that the Tender Offer Price will be JPY1,300 per Share and the Stock Acquisition Right Purchase Prices will be JPY192 for Series 1 Stock Acquisition Rights and JPY1,299 for Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, the Special Committee has received, from time to time, reports concerning the process and details etc. of consultations and negotiations between the Company and the Tender Offeror relating to the Transaction, and discussed matters such as policies for dealing with the same. Then on April 14, 2020, the Tender Offeror proposed a Tender Offer Price of JPY1,400 per Share and Stock Acquisition Right Purchase Prices of JPY292 for Series 1 Stock Acquisition Rights and JPY1,399 for Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, and on April 21, 2020, the Tender Offeror proposed a Tender Offer Price of JPY 1,450 per Share and Stock Acquisition Right Purchase Prices of JPY342 for Series 1 Stock Acquisition Rights and JPY1,449 for Series 2 Stock

Acquisition Rights through Series 6 Stock Acquisition Rights and after reviewing and considering such proposal in light of Deloitte Tohmatsu Financial Advisory's advice from a financial perspective that included analyses concerning premiums in recent MBO deals, the Special Committee demanded that the Tender Offeror increase the Tender Offer Price and was otherwise involved in the negotiations process with the Tender Offeror; as a result, on April 30, 2020, the Company received from the Tender Offeror a proposal for a Tender Offer Price prior to the Amendment of Tender Offer Terms of JPY1,500 per Share and Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms of JPY392 for Series 1 Stock Acquisition Rights and JPY1,499 for Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights.

<omitted>

(b) The appropriateness of the terms of the Transaction (including the tender offer price)

(i) The Share Valuation Report that the Company obtained from Deloitte Tohmatsu Financial Advisory, a third-party valuation agency independent of Tender Offeror-Related Persons, sets forth that the Share value is in the range of JPY1,080 to JPY1,377 in the market price analysis, in the range of JPY894 to JPY 1,255 in the comparable company analysis, and in the range of JPY1,316 to JPY1,779 in the DCF analysis; this means that the Tender Offer Price prior to the Amendment of Tender Offer Terms is greater than the maximum amounts of the ranges of the calculation results based on the market price analysis and the comparable company analysis and is within and the price near to the mid-value of the range of the calculation results using the DCF analysis; meanwhile the Special Committee received from Deloitte Tohmatsu Financial Advisory detailed explanations on the calculation methods etc. used in the share valuation, and asked Deloitte Tohmatsu Financial Advisory and the Company questions with regard to the selection of valuation methods, the selection of comparable companies and multiples used as metrics in the comparable company analysis, and matters that served as the basis for calculation in the DCF analysis (the Company's business plans, its financial forecasts based on such business plans, the calculation methods of its going concern value, and the grounds for calculation of the discount rate etc.), and then carried out a review; as a result, no unreasonableness was found in light of general valuation practices; moreover, the Tender Offer Price prior to the Amendment of Tender Offer Terms represents a premium of 37.11% over the closing price (JPY1,094) of the Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020; a premium of 38.89% over the simple average closing price (JPY1,080) for the one-month period up to May 7, 2020; a premium of 33.57% over the simple average closing price (JPY1,123) for the three-month period up to such date; and a premium of 8.93% over the simple average closing price (JPY1,377) for the six-month period up to such date, and it can be concluded that a premium is being added that is not inferior to the premiums in other recent MBO cases (The premium on the simple average closing price for the last six-month period is a relatively low standard, but this appears to be due to a decline in the market price of the Shares since the announcement by the Company of the Third Quarter Preliminary Financial Statements on February 7, 2020. With regard to the reasons for this decline in the Share market price, one factor can be considered; even though lagging user acquisition etc. for the nursing division and healthcare division and the emergence of upfront costs in connection with new constructions and renovations of nursing service hubs were given as primary reasons for the Company Earnings Projection Adjustment announced by the Company on November 12, 2019, the release of the Third Quarter Preliminary Financial Statements confirmed that the effects of establishing the nursing service hubs have been limited and the lag in user acquisition etc. is ongoing. Accordingly, the market price of the Shares following the release of the Third Quarter Preliminary Financial Statements is believed to reflect the Company's current actual circumstances. Given the foregoing, after the examination of the premiums on the Share market price, the Special Committee can determine that it is reasonable by virtue of amply securing premiums over the closing price for the business day immediately before the date of announcement of the Tender Offer, the simple

average closing price for the last one-month period, and the simple average closing price for the last three-month period. In addition, the Company Earnings Projection Adjustment was announced because the results of a tally of the Company's recent earnings reached the standards for timely disclosure, and there appears to be no reason etc. for an arbitrary downward adjustment, and furthermore at the time of the announcement of the Company Earnings Projection Adjustment, no proposal or examination of the Transaction whatsoever was being carried out; therefore, there appears to be no circumstances in particular that lead one to believe that the Company improperly lowered the market share price through the Company Earnings Projection Adjustment);

(ii) as stated in "(c) The fairness of the negotiations process and other procedures for the Transaction" below, the negotiations process procedures for the Transaction, including the Tender Offer, are found to be fair, and the Tender Offer Price and the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms are found to have been determined in light of the outcome of such negotiations;

(iii) the Transaction is carried out under a scheme that the Tender Offeror will indirectly acquire the Meiwa-Owned Company Shares by receiving the transfer of the Meiwa Shares from Meiwa Shareholder while implementing the Tender Offer for issued common shares and the Stock Acquisition Rights of the Company excluding the Meiwa-Owned Company Shares ("Scheme"). Given the fact that Meiwa is an asset management company that currently has no assets other than Shares, cash and deposits, and tax assets, the Meiwa Share Transfer Amount is set at the amount that provides economic value equivalent to the value that would be received by Meiwa Shareholder in exchange of tendering their Meiwa-Owned Company Shares in the Tender Offer; thus, it would not be contrary to the uniformity of the tender offer price. Therefore, it is found that the Scheme would not give Meiwa Shareholder any unfair profits, there is no irregular points in the Scheme, and it would not cause any disadvantage on minority shareholders.

(iv) as the minority shareholders who did not tender their Shares in the Tender Offer will eventually be paid monies in the Squeeze-Out Procedures to be performed following the Tender Offer, computation will be made so that the amount of money to be paid in such procedures will be equal to the price obtained by multiplying the Tender Offer Price prior to the Amendment of Tender Offer Terms by the number of Shares held by those shareholders, the Demand for Share Cash-Out or Share Consolidation planned in the Squeeze-Out Procedures is a general method used in cases comparable to the Transaction, and in either method an opportunity for minority shareholders to state any objection to the consideration is provided, and due to the foregoing and other reasons, the procedures are found to be reasonable;

(v) the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms are set as the amounts obtained by multiplying the difference between the Tender Offer Price prior to the Amendment of Tender Offer Terms (JPY1,500) and the exercise price per Share for the Stock Acquisition Rights (JPY392 for the Series 1 Stock Acquisition Rights and JPY1,499 for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights) by 1, which is the number of Shares subject to each Stock Acquisition Right, thus are calculated on the basis of the Tender Offer Price prior to the Amendment of Tender Offer Terms; and

(vi) consideration for the Transaction will be money, and in light of the Tender Offeror being an unlisted company, the type of consideration is considered to be appropriate;

in light of the foregoing and as a result of careful discussions and reviews, the Special Committee has determined that the implementation method and the scheme of the Transaction, and the type and the amount of consideration to be paid to the Company's minority shareholders in the Transaction and other terms of the Transaction are appropriate.

(c) The fairness of the negotiations process and other procedures for the Transaction.

(i) In light of factors such as the Transaction being carried out as part of a so-called management buyout (MBO), where there may be an inherent conflict of interest, and from the perspective of

ensuring the fairness of the Tender Offer Price and the Stock Acquisition Right Purchase Prices, eliminating arbitrariness in the decision-making process behind the decision to implement the Tender Offer, and avoiding conflicts of interest, the Company, in examining the Transaction, obtained advice and opinions etc. from third-party valuation agency and financial advisor Deloitte Tohmatsu Financial Advisory and legal advisor Kitahama Partners, both of which are independent from the Tender Offeror-Related Persons, and from the perspective of enhancing the Company's corporate value and of the shared interests of shareholders, carefully examined and discussed the appropriateness of the Tender Offer Price prior to the Amendment of Tender Offer Terms and other purchase conditions of the Tender Offer, the fairness of the series of procedures for the Transaction and other points, and the Special Committee has confirmed that there was no problem with the independence and the expertise of Deloitte Tohmatsu Financial Advisory and Kitahama Partners and approved them as the Company's third-party valuation agency and the legal advisor;

(ii) the Company, pursuant to the negotiation policy approved by the Special Committee in advance, conducted substantial discussions and negotiations with the Tender Offeror to ensure the fairness of the Tender Offer Price prior to the Amendment of Tender Offer Terms and the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms from the perspective of protecting the interests of minority shareholders, and specifically, the Company through Deloitte Tohmatsu Financial Advisory conducted price negotiations, including presenting a counter proposal price approved by the Special Committee, via Nomura Securities Co., Ltd., the financial advisor for the Tender Offeror, and as a result of such negotiations, before reaching the decision to set the Tender Offer Price prior to the Amendment of Tender Offer Terms at JPY1,500 per Share, elicited a price increase of JPY200 in total of three (3) times from the Tender Offeror's initial proposal of JPY1,300 per Share, and in connection with this elicited a price increase of JPY200 in a total for the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms as well;

(iii) the directors who examined and negotiated the Transaction as the representatives of the Company did not include any director who had special interests in the Transaction, or otherwise no fact was found that suggests that the Tender Offer-Related Persons or any other person with special interests in the Transaction had an improper impact on the Company during the process of the discussions, examinations and negotiations relating to the Transaction;

(iv) with respect to the Tender Offer, the Tender Offer Period will be set as a period of 31 business days, which is longer than the statutory minimum of 20 business days; seeking to ensure that opportunities for persons other than the Tender Offeror ("Counterbidders") to make counteroffers etc. are not improperly restricted, the Tender Offeror and the Company have not executed any agreement including a deal protection provision prohibiting contact by the Company with Counterbidders or any other agreement restricting contact by a Counterbidder with the Company; together with the setting of the Tender Offer Period, by securing an opportunity for counterbidding, consideration is paid to ensure the fairness of the Tender Offer, and moreover, even though a proactive market check has not been conducted for the Transaction, in addition to the perspective of information management, Bain Capital, which owns and operates the Tender Offeror, is a global fund known for its expertise in the healthcare field, and Mr. Sugimoto, the Japan representative of Bain Capital, has a track record of contributing to enhancement of the Company's corporate value and devising a business strategy as an outside director of the Company since June 2015, and thus has a strong understanding of the Company's management situation and has already built a relationship of trust; in light of these factors, even if a proactive market check were carried out, it would be hardly effective, and thus it is thought that not carrying out such a market check will not particularly hinder the fairness of the Transaction;

(v) the Tender Offeror has agreed with Meiwa Shareholder that all Meiwa Shares will be transferred to the Tender Offeror in the Tender Offer and has agreed with Shareholders Agreeing to Tender that Tender-Agreed Shares etc. will be tendered in the Tender Offer; that means the total of Meiwa-Owned Company

Shares (16,303,849 shares, ownership ratio of 24.76%) and Tender-Agreed Shares etc. (Shares: 12,478,503 shares, Stock Acquisition Rights: 212,000 units (number of subject shares: 212,000 shares), ownership ratio of 19.28%) is 28,782,352 Shares and 212,000 Stock Acquisition Rights (number of subject shares: 212,000 shares), and the combined ownership ratio is 44.04%; accordingly, the Tender Offeror believed that deducting these Meiwa-Owned Company Shares and Tender-Agreed Shares etc. and setting a so-called “majority of minority” lower limit of the number of shares planned to be purchased in the Tender Offer may prevent stable establishment of the Tender Offer and may, rather, cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender Shares therein; in view of this, the Tender Offeror has set the lower limit of the number of shares planned to be purchased (27,586,100 shares) in the Tender Offer at 100 shares *times* the number of voting rights (275,861 units) obtained by subtracting the number of voting rights (163,038 units) pertaining to Meiwa-Owned Company Shares from two-thirds of the number of voting rights (658,348 units) pertaining to the Company’s Total Number of Shares After Accounting for Potential Shares (65,834,847 shares) (two-thirds of these voting rights equals 438,899 units; rounded up to the nearest whole number); however, given that this lower limit requires approval on a scale corresponding to approximately 40.51% of Company shareholders and the Stock Acquisition Right Holders (ownership ratio: 55.85 %) other than Meiwa and Shareholders Agreeing to Tender, and it can be said that approval of a certain number of Company shareholders and the Stock Acquisition Right Holders other than Shareholders Agreeing to Tender is a precondition, and further, it is believed that the interests of the Company’s minority shareholders are sufficiently taken into consideration through other measures serving to ensure the fairness of the Tender Offer; moreover, as the outbreak of the novel coronavirus has made the stock market unstable and it is uncertain when the outbreak will wind down, the future outlook is unclear, and it is believed that respecting the choice by minority shareholders wishing to avoid an unclear market environment going forward to tender their Shares in the Tender Offer and sell the Shares at the price with a substantial premium will also benefit minority shareholders, and therefore it is believed that not setting “majority of minority” conditions in the Tender Offer cannot be said to immediately undermine the fairness of the procedures of the Transaction; in view of the foregoing, and as a result of careful discussions and examinations, the Special Committee determined that proper measures have been taken to ensure the fairness of the Transaction and thus the negotiations process and other procedures for the Transaction are fair.

(d) Whether, in light of (a) through (c) above, the Transaction are disadvantageous to the Company’s minority shareholders.

As a result of a careful review in light of (a) through (c) above and other matters, a determination was made that the Transaction is not disadvantageous to the Company’s minority shareholders.

Note that this opinion includes the findings that the decisions by the Board of Directors (i) to state an opinion in favor of the Tender Offer and to recommend that Company shareholders and Stock Acquisition Right Holders tender their Shares and Stock Acquisition Rights in the Tender Offer and (ii) to perform, following the Tender Offer, the Squeeze-Out Procedures using the method of Demand for Share etc. Cash-Out or Share Consolidation are not disadvantageous to the minority shareholders.

Subsequently, since the commencement of the Tender Offer, in consideration of the fact that the market price of the Shares has shifted upward to surpass the Tender Offer Price, envisioning a case the Tender Offeror would make a proposal to change the conditions of the Tender Offer, the Company conveyed to the Special Committee that if the Tender Offeror made a proposal to change the conditions of the Tender Offer, it planned to consult with the Special Committee regarding whether it would be possible to maintain the response described above. On and after June 16, 2020, the Special Committee held eight meetings and deliberated those matters thereat based on various scenarios. After that, even though the Tender Offeror

had not made an official proposal to change the terms of the Tender Offer, in the light of the fact that the market price of the Shares has shifted upward to surpass the Tender Offer Price before the change and the progress of tendering the Shares in the Tender Offer, in order to establish the Tender Offer and attain the purpose of the Transaction, the Special Committee considered the change of the terms of the Tender Offer, including a raise in the Tender Offer Price, would be effective; therefore, on July 10, 2020, it offered suggestions to the Tender Offeror, including the criteria of judgement for a raise in the Tender Offer Price. Further, in late July 2020, in response to the Tender Offeror's proposal to the Company for the Amendment of Tender Offer Terms, including tendering of the Shares held by Effissimo in the Tender Offer, the Company formally consulted with the Special Committee regarding whether it would be possible to maintain the response described above. And the Special Committee conducted two interviews with the Tender Offeror on July 22, and July 27, 2020, and confirmed the background and content of the proposal for the Amendment of the Tender Offer Terms, the process and content of negotiations made between the Tender Offeror and Effissimo, as well as the existence or non-existence of Effissimo's intention to involve into the business operation of the Company, its policy, and its impact on various measures for the business structure reform to be undertaken after the implementation of the Transaction, then once again considered whether it would be possible to maintain the response described above. Finally on July 30, 2020, the Special Committee reported to the Board of Directors by submitting a written report to the effect that there was no impact on the determination described above even in the light of the Amendment of Tender Offer Terms and there was no particular need to change the above determination.

The following is a summary of the written report.

(a) The reasonableness of the purposes of the Transaction (including whether the Transaction will enhance the corporate value of the Company).

For the reasonableness of the purposes of the Transaction, even after the Amendment of the Tender Offer Terms, there is no change in the original purposes of the Transaction to enhance the corporate value in the medium-to-long term by establishing group management system through the process to take the Shares private, and to implement the business structure reform rapidly. However, since there is a change in the facts forming the basis of the opinions described in the Written Report dated May 7, 2020 (“**Original Opinion**.”) a need arises to examine whether the Original Opinion should be changed.

Through interviews with the Tender Offeror, the Special Committee received an explanation on the background and content of the Amendment of the Tender Offer Terms, the negotiation process and the outline of the agreement between the Tender Offeror and Effissimo, and a series of these processes and transactions. Also, it received an explanation from the Company on the progress of negotiations made with Effissimo. The outline of those explanations is as follows:

(i) Effissimo holds the Shares in the medium-to-long term. From about five years ago, it has a track record of repeated discussions and consideration with the Company on various measures for enhancing the Company's corporate value, including the Company's business structure reform; however it has not presented any opposing or competing opinion against the Company's management policy so far.

(ii) Though Effissimo has no plans to dispatch any officer or staff members to the Company, it has expressed its intention to support various measures jointly, which are expected to be implemented by the Tender Offeror following the Tender Offer, and

(iii) Through the investment in the Company, Effissimo intends to gain only economic benefit under its capital contribution ratio by subscribing for nonvoting shares issued by BCJ-43 through ECM Master Fund. Therefore, the said scheme will not cause any confrontation or conflict, such as the difference in the management policy between Bain Capital and Effissimo, after the implementation of the Transaction; thus, the scheme is acceptable.

Accordingly, regarding Effissimo's intention to carry out the Tender Offer jointly through the Tender Offeror, it is believed there is no factor that may obstruct the business structure reform to be undertaken

by Bain Capital and the Tender Offeror. As a result of the careful deliberation and consideration at the Special Committee, it was decided that even based on the Amendment of the Tender Offer Terms, there is no impact on the content of the Original Opinion regarding the reasonableness of the purpose of the Transaction.

(b) The appropriateness of the terms of the Transaction (including the tender offer price)

For the appropriateness of the terms of the Transaction, since the consideration for the Transaction has changed due to the Amendment of the Tender Offer Terms, there is a change in the facts forming the basis of the Original Opinion; therefore, a need arises to examine whether the Original Opinion should be changed or not.

Given the facts that the market price of the Shares has shifted upward to surpass the Tender Offer Price prior to the Amendment of the Tender Offer Terms and the progress of tendering in the Tender Offer, the Special Committee made considerations based on various scenarios from before receiving from the Tender Offeror the proposal for the Amendment of the Tender Offer Terms, and asked for the opinion of Deloitte Tohmatsu Financial Advisory, an independent calculation agent, on whether or not the content of the Share Valuation Report on May 7, 2020 should be changed or revised. And the response said that since there was no material change in the current condition or future outlooks of the Company's business or other information, there was no material change in calculation results of the share value of the Share. Noted that the business plan that formed the basis of the calculation using the DCF Analysis in the above Share Valuation Report was the one for the period from March 2021 through March 2023. However, according to the Company, the current financial condition of the Company has shown a downtrend below the forecasts in the business plan. It was, therefore, confirmed that the examination of the appropriateness of the Tender Offer Price after the Amendment of the Tender Offer Terms based on the share value of the Shares calculated on the said business plan would not cause any disadvantage or unreasonableness to minority shareholders of the Company.

On the other hand, given the fact that the market price of the Share has shifted upward to surpass the Tender Offer Price before the Amendment of Tender Offer Terms, the Special Committee considered that, in order to establish the Tender Offer, attain the purposes of the Transaction, and encourage continuously minority shareholders to tender their Shares in the Tender Offer, the change of the terms of the Tender Offer, including a raise in the Tender Offer Price, would be effective. Thus, the Special Committee made a suggestion to the Tender Offeror on the criteria of judgement for a raise in the Tender Offer Price, and indicated that the Tender Offer Price after the Amendment of Tender Offer Terms needs to exceed the closing price of the Shares on the First Section of the Tokyo Stock Exchange on the business day immediately preceding the determination date of the Amendment of Tender Offer Terms and the simple average closing prices of the Shares for the period from May 11, 2020, the business day immediately following the date of announcement of the Tender Offer through the business day immediately preceding the determination date of the Amendment of Tender Offer Terms.

In response, JPY 1,670, the Tender Offer Price after the Amendment of Tender Offer Terms proposed by the Tender Offeror is greater than the maximum amount of the range of the calculation results based on the market price analysis and the comparable company analysis, also, exceeds the mid-value of the range of the calculation results using the DCF Analysis.

In addition, the Tender Offer Price after the Amendment of Tender Offer Terms (JPY 1,670) includes a premium of 52.65% on JPY 1,094, the closing price of the Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, 54.63% on JPY 1,080, the simple average closing price for the most recent month up to such date, 48.71% on JPY1,123, the simple average closing price for the most recent three months up to such date, 21.28% on JPY1,377, the simple average closing price for the most recent six months up to such date, respectively; in addition, 7.74% on JPY 1,550, the closing price of the Shares on the First Section of the Tokyo Stock Exchange on July 30, 2020 or the business day immediately

preceding the determination date of the Amendment of Tender Offer Terms, 3.73% on JPY 1,610, the simple average closing price for the period from May 11, 2020, the business day immediately following the date of announcement of the Tender Offer through July 30, 2020, the business day immediately preceding the determination date of the Amendment of Tender Offer Terms, respectively.

Accordingly, in any of the above cases, the Tender Offer Price after the Amendment of Tender Offer Terms satisfies the criteria of judgement suggested by the Special Committee.

Note that, in connection with the market price after the announcement of the Tender Offer, the premium on the Tender Offer Price after the Amendment of Tender Offer Terms is a relatively low standard. However the said premium is based on the comparison with the market price reflecting the fact of the announcement of the Transaction, and the cumulative trading volume of the Shares after the announcement of the Tender Offer up to the present exceeds about 27,000,000 Shares, and about 90% or more of the liquid stocks of the Company, excluding the Meiwa-Owned Shares, the Tender-Agreed Shares, and the Effissimo Tender-Agreed Shares, have been traded on the market. Since it is considered that current market price of the Shares is formed through the trade among the shareholders of the Company who have interest in the Transaction, the above premiums are reasonable and will fully meet expectations of minority shareholders.

Given the above factors, the Special Committee carefully deliberated and considered, and as a result, it decided that even considering the transition of the market price of the Shares after the announcement of the Tender Offer, the conditions of the Transaction after the Amendment of Tender Offer Terms are reasonable and there is no need to change the Original Opinion.

(c) The fairness of the negotiation process and other procedures for the Transaction

The Special Committee determined that since the announcement of the Tender Offer, even in the decision-making process regarding the Amendment of Tender Offer Terms, the fairness of the Transaction has been continuously ensured and there is no need to change the Original Opinion for the following reasons:

(i) Given the situation that the market price of the Shares has shifted upward to surpass the Tender Offer Price before the Amendment of Tender Offer Terms, on and after June 16, 2020, the Special Committee had eight meetings to make various considerations regarding the change of terms of the Tender Offer, and made a suggestion to the Tender Offeror on the criteria of judgement for a raise in the Tender Offer Price. After receiving the formal proposal for the Amendment of Tender Offer Terms from the Tender Offeror in late July 2020, the Company and the Special Committee conducted two interviews with the Tender Offeror on July 22, and July 27, 2020, and confirmed the background and content of the proposal for the Amendment of the Tender Offer Terms, the process and content of negotiations made between the Tender Offeror and Effissimo, as well as the existence or non-existence of Effissimo's intention to involve in the business operation of the Company, its policy, and its impact on various measures for the business structure reform of the Company after the implementation of the Transaction. Further, the Company and the Special Committee confirmed with Deloitte Tohmatsu Financial Advisory, an independent calculation agent, that there was no material change in calculation results of the share value of the Share based on the current trend of the stock market since the commencement of the Tender Offer, and other information;

(ii) The Tender Offer Period for the Tender Offer is extended from the original 31 business days to 68 business days, and this ensures ample opportunities for the Counterbidders to make counteroffers, etc. And, it also ensures the ample opportunities for general shareholders to make their decisions, and it is favorable that, in actuality, the Company faithfully responds, to the extent possible, to inquiries from several shareholders or investment firms with foreign capital; and.

(iii) The Tender Offeror agreed to receive the transfer of the Meiwa Shares from the Meiwa Shareholders in the Tender Offer, and also agreed with the Shareholders Agreeing to Tender and

Effissimo, respectively, to the effect that they will tender their Shares and the Stock Acquisition Rights (Shares:20,800,203 shares, Stock Acquisition Rights: 212,000 units) (number of subject shares:212,000 shares, ownership ratio of 31.92%) in the Tender Offer, respectively; thus the total number of the Meiwa-Owned Company Shares (Shares: 16,303,849 shares, ownership ratio of 24.76%), the Tender-Agreed Shares, etc., and the Effissimo Tender-Agreed Shares will be 37,104,052 Shares and 212,000 Stock Acquisition Rights (number of subject shares: 212000 shares), and the combined ownership ratio will be 56.68%. In response, even after the Amendment of Tender Offer Terms, the Tender Offeror will not set a so-called “majority of minority” lower limit of the number of shares planned to be purchased, and set the lower limit of the number of shares planned to be purchased (27,586,100 shares) in the Tender Offer at 100 shares *times* the number of voting rights (275,861 units) obtained by subtracting the number of voting rights (163,038 units) pertaining to Meiwa-Owned Company Shares from two-thirds of the number of voting rights (658,348 units) pertaining to the Company’s Total Number of Shares After Accounting for Potential Shares (65,834,847 shares) (two-thirds of these voting rights equals 438,899 units; rounded up to the nearest whole number). However, this lower limit requires approval on a scale corresponding to approximately 23.11% of the Company shareholders and the Stock Acquisition Right Holders (ownership ratio of 43.21%) other than Meiwa, the Shareholders Agreeing to Tender, and Effissimo. Even though the Company does not need to obtain approval from a high percentage of the Company shareholders and the Stock Acquisition Right Holders other than Meiwa, the Shareholders Agreeing to Tender, and Effissimo, such approval is the precondition. In addition, even though such required percentage of the Company shareholders and the Stock Acquisition Right Holders other than Meiwa, the Shareholders Agreeing to Tender, and Effissimo becomes relatively low in comparison with the same before the Amendment of Tender Offer Terms, Effissimo, one of the minority shareholder as of the commencement of the Tender Offer, expressed its intention to agree with the Tender Offer after the Amendment of Tender Offer Terms and has executed the Tender Agreement. Thus, the fact that the Company has gained approval from a part of the minority shareholders as of the commencement of the Tender Offer is favorable. Also, if the “majority of minority” conditions is set in the Tender Offer, it may prevent the stable establishment of the Tender Offer, and may, instead, cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender Shares therein; thus, it is considered that the non-setting of “majority of minority” conditions in the Tender Offer will not immediately undermine the fairness of the procedures of the Transaction.

(d) Whether, in the light of (a) through (c) above, the Transaction is disadvantageous to the Company’s minority shareholders.

As a result of a careful examination of (a) through (c) and other matters, it was determined that even considering the current status after the announcement of the Tender Offer, the Transaction is not disadvantageous to the Company’s minority shareholders, and there is no need to change the Original Opinion.

Note that the above opinions include the findings that the decisions by the Board of Directors (i) to state an opinion in favor of the Tender Offer after the Amendment of Tender Offer Terms, and to recommend that Company shareholders and Stock Acquisition Right Holders tender their Shares and Stock Acquisition Rights in the Tender Offer, and (ii) to perform, following the Tender Offer, the Squeeze-out Procedures using the method of Demand for Share, etc. Cash-out or Share Consolidation are not disadvantageous to the Company minority shareholders.

(iv) Approval of All Company Directors Not Having a Conflict of Interest; Opinion of No Objection from All Company Auditors
Pre-Amendment

<preceding text omitted>

Consequently, as explained in “(iii) Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “(2) Grounds and Reasons for Opinion” above, the Board of Directors decided, regarding the Transaction, that the Transaction, which includes the Tender Offer, can be expected to improve the Company’s corporate value and the Tender Offer Price and other conditions of the Tender Offer are appropriate from the perspective of the Company’s shareholders and Stock Acquisition Right Holders, and that the Tender Offer will provide the Company’s shareholders and Stock Acquisition Right Holders with a reasonable opportunity to sell their Shares and Stock Acquisition Rights. At the Board of Directors meeting held today, the Company’s directors (six directors excluding Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Sugimoto) who participated in deliberation and voting announced their unanimous agreement to the Tender Offer and made a resolution to recommend that all of the Company’s shareholders and Stock Acquisition Right Holders tender their shares etc. in the Tender Offer. Three of the Company’s auditors attended this Board of Directors meeting, and all of these attending auditors stated their opinion of no objection to this resolution.

Note that since Mr. Mori intends to continue managing the Company after the establishment of the Tender Offer and he is considering investing directly or indirectly in the Tender Offeror to share the common objective for enhancing the corporate value, since Mr. Daisuke Terada, who is the Company vice president and representative director, decided to make externally clear his intension to continue supporting the Company as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Tender Offeror, since Mr. Tsuyoshi Terada, who is the Company managing director, decided to externally clear his intention to remain involved in management of the Company, and with the common objective for enhancing the corporate value, to continue supporting the Company as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Tender Offeror, and since Mr. Sugimoto, who is an outside director of the Company, also serves as the Japan representative of Bain Capital, which provides investment advice to an investment fund that indirectly owns all outstanding shares of BCJ-43, which in turn owns all of the Tender Offeror’s outstanding shares, these individuals have a conflict of interest with the Company in regard to the Transaction, and thus being specially-interested directors, did not participate in any way in the deliberation and voting at the aforementioned Board of Directors meeting, and did not participate in any way from the Company’s position in discussions and negotiations with Tender Offeror.

Post-Amendment

<preceding text omitted>

Consequently, as explained in “(iii) Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “(2) Grounds and Reasons for Opinion” above, the Board of Directors decided, regarding the Transaction, that the Transaction, which includes the Tender Offer, can be expected to improve the Company’s corporate value and the Tender Offer Price prior to the Amendment of Tender Offer Terms, the Stock Acquisition Right Purchase Prices prior to the Amendment of Tender Offer Terms and other conditions of the Tender Offer are appropriate from the perspective of the Company’s shareholders and Stock Acquisition Right Holders, and that the Tender Offer will provide the Company’s shareholders and Stock Acquisition Right Holders with a reasonable opportunity to sell their Shares and Stock Acquisition Rights. At the Board of Directors meeting held on May 8, 2020, the Company’s directors (six directors excluding Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Sugimoto) who participated in deliberation and voting announced their unanimous agreement to the Tender Offer and made a resolution to recommend that all of the Company’s shareholders and Stock Acquisition Right Holders tender their shares etc. in the Tender Offer.

Further, in response to the Tender Offeror's decision on the Amendment of Tender Offer Terms, and in the light of the background and content of the Amendment of Tender Offer Terms, the process behind the Tender Offeror's decision to receive the Commitment Letter from Effissimo and to have the Subscription Agreement executed, the outline of the Commitment Letter and the Subscription Agreement, and the opinions of the Special Committee relating to the series of these processes and transactions, the Board of Directors carefully deliberated these matters at a meeting held on July 31, 2020. And as described in (iii) Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor under (2) Grounds and Reasons for Opinion above, it was confirmed that even on the basis of the Amendment of Tender Offer Terms, it is expected that taking the Shares private through the Transaction, including the Tender Offer, would contribute to enhancing the Company Group's corporate value; while Effissimo owns the Shares in the medium-to-long term, and from about five years ago, it has a track record of repeated discussions and consideration with the Company on various measures for enhancing the Company's corporate value, including the Company's business structure reform, it has not presented any opposing or competing opinion against the Company's management policy so far; and, according to the explanation given to the Company by the Tender Offeror, though Effissimo has no plans to dispatch any officer or staff members to the Company, it has expressed its intention to support various measures for enhancing the corporate value of the Company jointly, which are expected to be implemented by Bain Capital and the Tender Offeror after the Tender Offer; therefore, there is no factor that may obstruct the business structure reform to be undertaken by Bain Capital and the Tender Offeror.

Three statutory auditors of the Company attended the Board of Directors meetings described above, and each of the statutory auditors in attendance stated that he or she had no objection to the resolutions.

However, it should be noted that Mr. Mori is expected to remain engaged in the management of the Company after the establishment of the Tender Offer, and he is considering investing directly or indirectly in the Tender Offeror to share the common objective for enhancing the corporate value; Mr. Daisuke Terada, who was the Company representative director and vice president as of May 8, 2020, decided to externally make clear that he intends to continue supporting the Company as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Tender Offeror; the Company representative director and vice president Mr. Tsuyoshi Terada, who was managing director as of May 8, 2020, decided to externally make clear that he will remain involved in Company management and, with the common object for enhancing the corporate value, intends to continue supporting the Company as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Tender Offeror; and Company outside director Mr. Sugimoto is concurrently serving as Japan representative of Bain Capital, which provides investment advice to an investment fund that indirectly owns all outstanding shares of BCJ-43, which in turn owns all outstanding shares of the Tender Offeror. These four directors therefore have conflicts of interest with the Company in relation to the Transaction, and thus, as specially-interested directors, they did not in any way participate in the deliberations or voting in the above meeting of the Board of Directors, nor did they have any role in the consultations and negotiations with the Tender Offeror from the Company's position (Mr. Daisuke Terada retired as representative director and director on June 24, 2020, and since then has not held the position of a director, he did not participate in the Board of Directors meeting held on July 30, 2020).

(v) Securing Objective Conditions for Ensuring the Fairness of the Tender Offer Pre-Amendment

Tender Offeror has not executed with the Company any agreement including a deal protection provision prohibiting contact by the Company with any Counterbidder regarding the Company Shares or any other agreement restricting contact by a Counterbidder with the Company. Further, Tender Offeror has set as the purchase etc. period ("Tender Offer Period") involved in the Tender Offer a period of 59 business days, which is longer than the statutory minimum of 20 business days. By setting a comparatively long period

as the Tender Offer Period, Tender Offeror intends to ensure an appropriate Tender Offer Price by securing for the Company's shareholders and the Stock Acquisition Right Holders an appropriate opportunity for decision-making regarding tendering shares in the Tender Offer and securing an opportunity for persons other than Tender Offeror to make counteroffer etc. for the Company Shares.

<omitted>

Note that Tender Offeror has agreed in the Share Transfer Agreement with Meiwa Shareholder that all Meiwa Shares will be transferred to Tender Offeror and has agreed in the Tender Agreement with each Shareholder Agreeing to Tender that Tender-Agreed Shares etc. will be tendered in the Tender Offer; the total of Meiwa-Owned Company Shares (16,303,849 shares, ownership ratio of 24.76 %) and Tender-Agreed Shares etc. (Shares: 12,478,503 shares, Stock Acquisition Rights: 212,000 units (number of subject shares: 212,000 shares), ownership ratio of 19.28%) is 28,782,352 Shares and 212,000 Stock Acquisition Rights (number of subject shares: 212,000 shares), and the combined ownership ratio is 44.04%. Accordingly, deducting these Meiwa-Owned Company Shares and Tender-Agreed Shares etc. and setting a so called "majority of minority" lower limit of the number of shares planned to be purchased in the Tender Offer may prevent stable establishment of the Tender Offer. Tender Offeror believes that the Transaction, which includes the Tender Offer, will contribute to the shared interests of all shareholders, including minority shareholders, and believes that setting a "majority of minority" may, rather, cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender shares therein. In view of this, Tender Offeror has set the lower limit of the number of shares planned to be purchased (27,586,100 shares) in the Tender Offer at 100 shares *times* the number of voting rights (275,861 units) obtained by subtracting the number of voting rights (163,038 units) pertaining to Meiwa-Owned Company Shares from two-thirds of the number of voting rights (658,348 units) pertaining to the Company's Total Number of Shares After Accounting for Potential Shares (65,834,847 shares) (two-thirds of these voting rights equals 438,899 units; rounded up to the nearest whole number). Indeed, from the Company's perspective, this lower limit requires approval on a scale corresponding to approximately 40.51% of Company shareholders and the Stock Acquisition Right Holders (ownership ratio: 55.85%) other than Meiwa and Shareholders Agreeing to Tender, and it can be said that approval of a certain number of Company shareholders and the Stock Acquisition Right Holders other than Shareholders Agreeing to Tender is a precondition. Further, Tender Offeror believes that in the Tender Offer, the interests of the Company's shareholders are sufficiently taken into consideration through the measures set forth in (i) to (v) above serving to ensure the fairness thereof.

Post-Amendment

Tender Offeror has not executed with the Company any agreement including a deal protection provision prohibiting contact by the Company with any Counterbidder regarding the Company Shares or any other agreement restricting contact by a Counterbidder with the Company. Further, Tender Offeror has set as the purchase etc. period ("Tender Offer Period") involved in the Tender Offer a period of 68 business days, which is longer than the statutory minimum of 20 business days. By setting a comparatively long period as the Tender Offer Period, Tender Offeror intends to ensure an appropriate Tender Offer Price by securing for the Company's shareholders and the Stock Acquisition Right Holders an appropriate opportunity for decision-making regarding tendering shares in the Tender Offer and securing an opportunity for persons other than Tender Offeror to make counteroffer etc. for the Company Shares.

<omitted>

Note that Tender Offeror has agreed in the Share Transfer Agreement with Meiwa Shareholder that all Meiwa Shares will be transferred to Tender Offeror and has agreed in the Tender Agreement with each Shareholder Agreeing to Tender that Tender-Agreed Shares etc. will be tendered in the Tender Offer; and

has received from Effissimo a commitment to tender the Effissimo Tender-Agreed Shares in the Tender Offer; the total of Meiwa-Owned Company Shares (16,303,849 shares, ownership ratio of 24.76 %), Tender-Agreed Shares etc. (Shares: 12,478,503 shares, Stock Acquisition Rights: 212,000 units (number of subject shares: 212,000 shares), ownership ratio of 19.28%), and Effissimo Tender-Agreed Shares (8,321,700 shares, ownership ratio of 12.64 %) is 37,104,052 Shares and 212,000 Stock Acquisition Rights (number of subject shares: 212,000 shares), and the combined ownership ratio is 56.68%. Accordingly, deducting these Meiwa-Owned Company Shares and Tender-Agreed Shares etc. and setting a so called “majority of minority” lower limit of the number of shares planned to be purchased in the Tender Offer may prevent stable establishment of the Tender Offer. Tender Offeror believes that the Transaction, which includes the Tender Offer, will contribute to the shared interests of all shareholders, including minority shareholders, and believes that setting a “majority of minority” may, rather, cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender shares therein. In view of this, Tender Offeror has set the lower limit of the number of shares planned to be purchased (27,586,100 shares) in the Tender Offer at 100 shares *times* the number of voting rights (275,861 units) obtained by subtracting the number of voting rights (163,038 units) pertaining to Meiwa-Owned Company Shares from two-thirds of the number of voting rights (658,348 units) pertaining to the Company’s Total Number of Shares After Accounting for Potential Shares (65,834,847 shares) (two-thirds of these voting rights equals 438,899 units; rounded up to the nearest whole number). Indeed, from the Company’s perspective, even though the Company does not need to obtain approval from a high percentage of the Company shareholders and the Stock Acquisition Right Holders other than Meiwa, the Shareholders Agreeing to Tender, and Effissimo, such approval is the precondition. In addition, even though such required percentage of the Company shareholders and the Stock Acquisition Right Holders other than Meiwa, the Shareholders Agreeing to Tender, and Effissimo becomes relatively low in comparison with the same before the Amendment of Tender Offer Terms, Effissimo, one of the minority shareholder as of the commencement of the Tender Offer, expressed its intention to agree with the Tender Offer after the Amendment of Tender Offer Terms and has executed the Tender Agreement. Thus, the fact that the Company has gained approval from a part of the minority shareholders as of the commencement of the Tender Offer is favorable. Also, if the “majority of minority” conditions is set in the Tender Offer, it may prevent the stable establishment of the Tender Offer, and may, instead, cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender Shares therein; thus, it is considered that the non-setting of “majority of minority” conditions in the Tender Offer will not immediately undermine the fairness of the procedures of the Transaction. Further, Tender Offeror believes that in the Tender Offer, the interests of the Company’s shareholders are sufficiently taken into consideration through the measures set forth in (i) to (v) above serving to ensure the fairness thereof.

4. Matters Relating to Material Agreements Concerning Tendering of Shares in Tender Offer between the Tender Offeror and Company Shareholders, Directors, and Others

Pre-Amendment

(2) Share Transfer Agreement

<preceding text omitted>

(iv) Transfer Price etc. for the Meiwa Shares Pursuant to the Share Transfer Agreement

The Meiwa Share Transfer Price to be paid to each Meiwa Shareholder pursuant to the Share Transfer Agreement is calculated on the basis of the Tender Offer Price.

In other words, under the Share Transfer Agreement, the total amount of the Meiwa Share Transfer Price is agreed to be (i) the amount equal to the number of Meiwa-Owned Company Shares 16,303,849 shares *times* the Tender Offer Price (1,500 per Share) (equal to JPY24,455,773,500) *minus* (ii) loans from Meiwa Shareholder and any other liabilities owed by Meiwa on the Meiwa Share Transfer Date *plus* (iii) the

amount of Meiwa's cash and deposits and tax assets on the Meiwa Share Transfer Date. Thus, the amount is set to be substantially the same as the consideration that would be paid in the case where Meiwa tendered the Shares that it owns in the Tender Offer.

(v) Agreement concerning Exercise of Voting Rights Relating to Shares

Meiwa Shareholder has agreed that in the case where, after the day of commencement of the Tender Offer, a general shareholders meeting of the Company (including the ordinary general shareholders meeting relating to the March 2020 term) is held with a day prior to the day of commencement of settlement relating to the Tender Offer as the record date for the exercise of rights, Meiwa Shareholder would cause Meiwa to exercise its voting rights and all other rights relating to the Meiwa-Owned Company Shares at such general shareholders meeting (i) all in accordance with the Tender offeror's instructions or (ii) to deliver a proper power of attorney with the name and seal of an authorized person granting comprehensive proxy rights to the Tender Offeror or the person designated by the Tender Offeror and not to rescind such granting of the proxy rights, at the Tender Offeror's option.

Further, Mr. Mori plans to remain involved in the Company management following establishment of the Tender Offer and is considering investing directly or indirectly in the Tender Offeror to share the common objective for enhancing the corporate value. Also, the Company vice president and representative director Mr. Daisuke Terada decided to externally make clear his intention to continue supporting the Company as a relative of Former Chairman Terada and is considering investing directly or indirectly in the Tender Offeror. Moreover, the Company managing director Mr. Tsuyoshi Terada decided to make externally clear his intention to remain involved in the Company management and, with the common objective for enhancing the corporate value, to continue supporting the Company as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Tender Offeror. Mr. Keisuke Terada who is another relative of Former Chairman Terada also decided to make externally clear his intention to continue supporting the Company as a relative of Former Chairman Terada and is considering investing directly or indirectly in the Tender Offeror. Bain Capital is expected to execute an agreement for entrustment of the management of the Company with Mr. Mori and Mr. Tsuyoshi Terada; however, the details are undetermined at this time.

Post-Amendment

(2) Share Transfer Agreement

<preceding text omitted>

(iv) Transfer Price etc. for the Meiwa Shares Pursuant to the Share Transfer Agreement

The Meiwa Share Transfer Price to be paid to each Meiwa Shareholder pursuant to the Share Transfer Agreement is calculated on the basis of the Tender Offer Price.

In other words, under the Share Transfer Agreement, the total amount of the Meiwa Share Transfer Price is agreed to be (i) the amount equal to the number of Meiwa-Owned Company Shares 16,303,849 shares *times* the Tender Offer Price as amended by the Amendment of Tender Offer Terms (1,670 per Share) (equal to JPY27,227,427,830) *minus* (ii) loans from Meiwa Shareholder and any other liabilities owed by Meiwa on the Meiwa Share Transfer Date *plus* (iii) the amount of Meiwa's cash and deposits and tax assets on the Meiwa Share Transfer Date. Thus, the amount is set to be substantially the same as the consideration that would be paid in the case where Meiwa tendered the Shares that it owns in the Tender Offer.

(v) Agreement concerning Exercise of Voting Rights Relating to Shares

Meiwa Shareholder has agreed that in the case where, after the day of commencement of the Tender

Offer, a general shareholders meeting of the Company (including the ordinary general shareholders meeting relating to the March 2020 term) is held with a day prior to the day of commencement of settlement relating to the Tender Offer as the record date for the exercise of rights, Meiwa Shareholder would cause Meiwa to exercise its voting rights and all other rights relating to the Meiwa-Owned Company Shares at such general shareholders meeting (i) all in accordance with the Tender offeror's instructions or (ii) to deliver a proper power of attorney with the name and seal of an authorized person granting comprehensive proxy rights to the Tender Offeror or the person designated by the Tender Offeror and not to rescind such granting of the proxy rights, at the Tender Offeror's option.

Further, Mr. Mori plans to remain involved in the Company management following establishment of the Tender Offer and is considering investing directly or indirectly in the Tender Offeror to share the common objective for enhancing the corporate value. Also, Mr. Daisuke Terada, who was the Company representative director and vice president as of May 8, 2020, decided to externally make clear his intention to continue supporting the Company as a relative of Former Chairman Terada and is considering investing directly or indirectly in the Tender Offeror. Moreover, the Company representative director and vice president Mr. Tsuyoshi Terada, who was managing director as of May 8, 2020, decided to make externally clear his intention to remain involved in the Company management and, with the common objective for enhancing the corporate value, to continue supporting the Company as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Tender Offeror. Mr. Keisuke Terada who is another relative of Former Chairman Terada also decided to make externally clear his intention to continue supporting the Company as a relative of Former Chairman Terada and is considering investing directly or indirectly in the Tender Offeror. Bain Capital is expected to execute an agreement for entrustment of the management of the Company with Mr. Mori and Mr. Tsuyoshi Terada; however, the details are undetermined at this time.

(3) The Commitment Letter

On July 31, 2020, the Tender Offeror received the Commitment Letter from Effissimo. In the Commitment Letter, Effissimo committed to tendering or having tendered 8,321,700 of the Shares (ownership ratio: 12.64%) held by itself or through ECM Master Fund in the Tender Offer. The Commitment Letter does not contain any conditions precedent for Effissimo's tendering in the Tender Offer.

Further, subject to the establishment of the Tender Offer, Effissimo committed to investing a total of JPY1,550,000,000 in BCJ-43, according to the Subscription Agreement, by subscription for nonvoting shares in that company no later than the business day immediately following the last day of the Tender Offer Period to provide funds to be allocated to the Tender Offeror's purchase funds in the Tender Offer and payment of the ancillary expenses etc. For details concerning the Subscription Agreement, see "(4) The Subscription Agreement" below.

(4) The Subscription Agreement

(i) Outline of the Subscription Agreement

BCJ-43 and Effissimo executed the Subscription Agreement dated July 31, 2020, and agreed that subject to the establishment of the Tender Offer and the satisfaction of other specific requirements, Effissimo will have ECM Master Fund subscribe for nonvoting shares (specifically, A-class shares without voting rights, which does not grant dividend preference, etc.) of 31,000 shares issued by BCJ-43 with JPY1,550,000,000 (JPY 50,000 per Share) no later than the business day immediately following the last day of the Tender Offer Period for the Tender Offer. For details of the conditions of the above, see "(ii) Conditions Precedent for Subscription" below.

(ii) Conditions Precedent for Subscription

Effissimo agreed to perform its obligations pertaining to the payment by ECM Master Fund to subscribe for nonvoting shares under the Subscription Agreement, subject to the following conditions precedent: (i) the establishment of the Tender Offer, as well as (ii) the representations and warranties made by BCJ-43 in the Subscription Agreement (Note 15) are true and accurate in material respects, (iii) BCJ-43 have performed and complied with its obligations under the Subscription Agreement (Note 16) in material respects, (iv) the Tender Offeror has obtained all permits and approvals required for the implementation of the Tender Offer from judicial and administrative agencies, and none of them has been revoked, also, it has not received from judicial and administrative agencies any advice, order, or other disposition to revise or suspend the issuance of nonvoting rights or the implementation of the Tender Offer in the whole or a part, and (v) Bain Capital and ECM Master Fund have executed a shareholder agreement.

(Note 15) BCJ-43 represents and warrants to Effissimo as of the execution date of the Subscription Agreement and the payment date for subscribing for nonvoting shares on the following: (i) the Tender Offeror is legally incorporated and it has the capacity of right, (ii) BCJ-43's execution of the Subscription Agreement and the performance of its obligations do not conflict with laws, its Articles of Incorporation, and other internal rules, (iii) BCJ-43's execution of the Subscription Agreement, the performance of its obligations, the issuance of nonvoting shares under the Subscription Agreement, and the implementation of the Tender Offer do not violate laws, its Articles of Incorporation, other internal rules, or any contract to which it is a contracting party, and do not violate any decision or judgement made by judicial or administrative agencies; further it has not received from judicial or administrative agencies any advice, order, or other disposition to revise or suspend the issuance of nonvoting shares and the implementation of the Tender Offer in the whole or a part, (iv) the legal binding force and enforceability, (v) non-existence of any resolution or promise regarding the number of shares issuable, or the issuance of shares or potential shares, and (vi) BCJ-43 does not fall under the anti-social forces.

(Note 16) BCI-43 assumes, under the Subscription Agreement, (i) the obligation to issue nonvoting shares, (ii) the liability to compensate for damage or loss incurred by Effissimo arising from or in connection with BCJ-43's breach of its obligations under the Subscription Agreement or its representations and warranties as described in (Note 15) above, and (iii) the confidentiality obligation and other obligations under general terms and conditions of the Subscription Agreement.

(iii) Other matters agreed

Neither of Effissimo and ECM Master Fund has the right to appoint a director or statutory auditor of BCJ-43 or its subsidiary or affiliate company.

Also, Effissimo agreed to discuss with Bain Capital faithfully and have ECM Master Fund execute a shareholder agreement with Bain Capital before the subscription for nonvoting shares. In the Subscription Agreement, it is agreed to include the provision, in the shareholder agreement, which requires BCJ-43 to report material information regarding the business performance, etc. of the Company Group; however, the content of the said provision has not been determined as of today, and Bain Capital and Effissimo will further discuss this matter. As of July 31, 2020, Effissimo has not requested the Tender Offeror, BCJ-43, or Bain Capital for the grant of Put Option on the shares in BCJ-43, and such Put Option will not be provided for in the shareholder agreement to be separately executed.

End

Reference: “Notice regarding Amendment to Terms of Tender Offer of Shares, Etc. of Nichigakkan Co., Ltd.
(Securities Code: 9792)” dated July 31, 2020 (attachment)

July 31, 2020

To whom it may concern

Company K.K. BCJ-44
Representative Yuji Sugimoto, Representative Director

Notice regarding Amendment to Terms of Tender Offer of Shares, Etc. of

Nichiigakkan Co., Ltd. (Securities Code: 9792)

K.K. BCJ-44 (the “**Offeror**”) hereby announces to amend the content of “Notice Regarding Commencement of a Tender Offer of Shares, Etc. of Nichiigakkan Co., Ltd. (Securities Code: 9792)” (including the amendments by “Notice regarding Amendment to Terms of Tender Offer of Shares, Etc. of Nichiigakkan Co., Ltd. (Securities Code: 9792)” announced as of June 22, 2020 and July 9, 2020) as follows, as today the Offeror has decided to extend the last day of the purchase period (the “**Purchase Period**”) of the tender offer (the “**Tender Offer**”) of the common shares (the “**Target Shares**”) which are listed on the First Section of the Tokyo Stock Exchange Inc., and the stock acquisition rights, of Nichiigakkan Co., Ltd. (the “**Target**”), which the Offeror commenced on May 11, 2020. The amendments are underlined.

1. Details of the Tender Offer

(3) Purchase Period

(Before Amendment)

From May 11, 2020 (Monday) to August 3, 2020 (Monday) (59 business days)

(After Amendment)

From May 11, 2020 (Monday) to August 17, 2020 (Monday) (68 business days)

(4) Purchase Price

(Before Amendment)

Common shares	<u>1,500</u> yen per share
Series 1 Stock Acquisition Rights	<u>392</u> yen per stock acquisition right
Series 2 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right
Series 3 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right
Series 4 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right
Series 5 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right
Series 6 Stock Acquisition Rights	<u>1,499</u> yen per stock acquisition right

(After Amendment)

Common shares	<u>1,670</u> yen per share
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Series 1 Stock Acquisition Rights	<u>562</u> yen per stock acquisition right
Series 2 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right
Series 3 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right
Series 4 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right
Series 5 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right
Series 6 Stock Acquisition Rights	<u>1,669</u> yen per stock acquisition right

(7) Commencement Date of the Settlement

(Before Amendment)

August 11, 2020 (Tuesday)

(After Amendment)

August 24, 2020 (Monday)

2. Overview of the Tender Offer

(Before Amendment)

The Offeror is a wholly-owned subsidiary of K.K. BCJ-43, whose issued shares of are indirectly owned solely by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (collectively, “**Bain Capital**”), and the Offeror is a stock company that was established on April 23, 2020 and whose main purpose is owning all of the Target Shares and controlling and managing the business activities of the Target. As of today, none of Bain Capital, K.K. BCJ-43, or the Offeror owns any Target Shares.

Bain Capital is an international investment company with a total of approximately \$105 billion in working assets worldwide, and since opening its Tokyo office in 2006, approximately 30 professionals have been working to improve the corporate value of Bain Capital’s portfolio companies in Japan. Most of those professionals have experience at industrial companies and consulting companies, and in addition to capital and financial support that is provided by general investment companies, Bain Capital has also steadily executed growth strategies by supporting business operations at a field level and led numerous measures for value improvement to a success. Bain Capital has an investment track record of 17 companies in Japan including Showa Aircraft Industry Co., Ltd., Cheetah Digital Co., Ltd. (currently EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (currently KIOXIA Corporation), Japan Wind Development Co., Ltd., Oedo-Onsen-Monogatari Co., Ltd., ASATSU-DK Inc., Jupiter Shop Channel Co., Ltd., Skylark Co., Ltd., Domino's Pizza Japan, Inc., Macromill, Inc., and BELLSYSTEM24, Inc., and Bain Capital has had achieved results globally from investments in 450 companies since its establishment in 1984.

The Offeror will make this Tender Offer as part of a series of transactions (the “**Transaction**”) for a so-called management buyout (MBO) (Note 1) for the purpose of acquiring and owning all of the Target Shares listed on the First Section of the Tokyo Stock Exchange (including the Target Shares to be delivered upon exercise of the Stock Acquisition Rights, and excluding the treasury shares owned by the Target and the Target Shares owned by Meiwa Co., Ltd. (“**Meiwa**”) described below) and the Stock Acquisition Rights.

It is expected Mr. Nobusuke Mori (“**Mori**”), President and Representative Director of the Target, will continue to be a member of the management of the Target even after the completion of the Tender Offer and Mr. Mori is

considering making a direct or indirect capital contribution to the Offeror so that they have a common goal of enhancing the corporate value of the Target (the specific amount and timing of that capital contribution have not yet been determined, but it is expected each of Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Keisuke Terada, who are to make reinvestments, will contribute part of the consideration they have obtained as a result of tendering the Target Shares and Stock Acquisition Rights they own in the Tender Offer, hereinafter the same with respect to each reinvestment by Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Keisuke Terada). Further, Mr. Daisuke Terada, Vice President and Representative Director of the Target (Note 2), is considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he intends to continue to support the Target as a relative of Ms. Akihiko Terada (“**Former Chairman Terada**”), who is the founder and the former Chairman and Representative Director of the Target. Mr. Tsuyoshi Terada, who is a Managing Director of the Target (Note 3), is also considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he will continue to be involved in the management of the Target, he shares a common goal of enhancing the corporate value of the Target, and he intends to continue to support the Target as a relative of Former Chairman Terada. Further, Mr. Keisuke Terada who is a relative of Former Chairman Terada is considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he intends to continue to support the Target as a relative of Former Chairman Terada.

Further, in making the Tender Offer, the Offeror executed tender offer agreements dated May 8, 2020 with each of Mr. Mori, President and Representative Director of the Target, (number of shares owned (Note 4): 55,508 shares, number of Stock Acquisition Rights owned: 67,500 stock acquisition rights (number of underlying shares: 67,500 shares), ownership ratio (Note 5): 0.19%), Mr. Daisuke Terada, who is a relative of Former Chairman Terada and Vice President and Representative Director of the Target, (number of shares owned: 4,699,124 shares, number of Stock Acquisition Rights owned: 105,900 stock acquisition rights (number of underlying shares: 105,900 shares), ownership ratio: 7.30%), Mr. Tsuyoshi Terada, who is a relative of Former Chairman Terada and a Managing Director of the Target, (number of shares owned: 3,581,724 shares, number of Stock Acquisition Rights owned: 38,600 stock acquisition rights (number of underlying shares: 38,600 shares), ownership ratio: 5.50%), Ms. Kuniko Terada, who is a relative of Former Chairman Terada, (number of shares owned: 5,074 shares, ownership ratio: 0.01%), Mr. Keisuke Terada, who is a relative of Former Chairman Terada, (number of shares owned: 2,737,174 shares, ownership ratio: 4.16%), Ms. Ayako Terada, who is a relative of Former Chairman Terada, (number of shares owned: 688,100 shares, ownership ratio: 1.05%), Ms. Akemi Takato, who is a relative of Former Chairman Terada, (number of shares owned: 698,249 shares, ownership ratio: 1.06%), and Yugen Kaisha Meiko, which is an asset management company all of whose issued shares are owned by Mr. Keisuke Terada and Ms. Ayako Terada, (number of shares owned: 82,800 shares, ownership ratio: 0.13%) (collectively, the “**Tendering Shareholders**”), and the Tendering Shareholders agreed to tender in the Tender Offer all of the Target Shares and the Stock Acquisition Rights they own (excluding 39,650 shares with restrictions on transfer owned by Mr. Mori, 19,975 shares with restrictions on transfer owned by Daisuke Terada and 9,625 shares with restrictions on transfer owned by Tsuyoshi Terada, which constitute stock compensation with restrictions on transfer that have been allocated to Mr. Daisuke Terada and Mr. Tsuyoshi Terada as directors of the Target. According to the Target, the Target plans to acquire without contribution as of August 3, 2020, 13,825 shares with restrictions on transfer owned by Mr. Mori, 6,625 shares with restrictions on transfer owned by Mr. Daisuke Terada, and 3,125 shares with restrictions on transfer owned by Mr. Tsuyoshi Terada, which are the performance target commitment-based restricted shares, in accordance with the share allotment agreements with Mr. Mori, Mr. Daisuke Terada and Mr. Tsuyoshi Terada.) (Target Shares: 12,478,503 shares, number of Stock Acquisition Rights: 212,000 stock acquisition rights (number of underlying shares: 212,000 shares), ownership ratio: 19.28%).

The Offeror also agreed with Kuniko Terada, who is the sole shareholder of Meiwa, (the “**Meiwa Shareholder**”) on May 8, 2020 to acquire as part of the Transaction all of the issued shares of Meiwa (the “**Meiwa Shares**”) from the Meiwa Shareholder on the commencement date of the settlement pertaining to the Tender Offer (the “**Meiwa Share**

Transfer Date”) with respect to Meiwa, which is an asset management company whose issued shares are solely owned by Kuniko Terada and which is the largest shareholder which is a major shareholder of the Target and which owns 16,303,849 shares of the Target Shares (shareholding ratio: 24.76%, the **“Meiwa Owned Target Shares”**). The Meiwa Shareholder made a request to the Offeror in early February 2020 as part of the Transaction for the Offeror to acquire the Meiwa Shares instead of the Offeror acquiring the Meiwa Owned Target Shares through the Tender Offer, and the Offeror executed a share transfer agreement with the Meiwa Shareholder regarding the transfer of the Meiwa Shares dated May 8, 2020 (the **“Share Transfer Agreement”**), determining that if the transfer value of the Meiwa Shares to be paid by the Offeror to the Meiwa Shareholder as agreed below (the **“Meiwa Share Transfer Value”**) will be set as an amount calculated by deducting (i) all of the debts owed by Meiwa on the Meiwa Share Transfer Date from (ii) the amount obtained by multiplying the price for purchase, etc. of the Target Shares in the Tender Offer (the **“Tender Offer Price”**) by the Meiwa Owned Target Shares (16,303,849 shares) (JPY1,500 per share) (JPY 24,455,773,500), and then adding (iii) the amount of the cash and cash equivalents and the tax assets of Meiwa on the Meiwa Share Transfer Date, the same economic value as the value that would be received by the Meiwa Shareholder if Meiwa tendered the Target Shares in the Tender Offer and that is not inconsistent with the “equal price doctrine” under Article 27-2, paragraph (3) of the Act and Article 8, paragraph (3) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as revised) after repeated discussions with the Meiwa Shareholder on matters such as the acquisition value and the acquisition procedure of the Meiwa Shares in light of the fact that the Offeror believes that the purpose of the Transaction can be achieved by acquisition of the Meiwa Shares, and that as of today Meiwa is an asset holding company that does not own any assets other than the Meiwa Shares, cash and cash equivalents, and tax assets. The Offeror agrees in the Share Transfer Agreement, as well as the calculation method of the Meiwa Share Transfer Value above, that the Meiwa Shareholder will cause Meiwa not to tender all of the Meiwa Owned Target Shares (number of shares owned: 16,303,849 shares, ownership ratio: 24.76%) in the Tender Offer, and that the Meiwa Shares owned by the Meiwa Shareholder will be transferred to the Offeror and the Offeror will acquire those shares on the Meiwa Share Transfer Date on the condition of completion of the Tender Offer and satisfaction of the other agreed items.

(Note 1) “Management buyout (MBO)” is a transaction where the Offeror is a person that conducts a tender offer based on an agreement with certain officers of the Target and that has a common interest with such officers of the Target.

(Note 2) According to the “Announcement of Appointment of Directors, Change of Representative Director, Organization Changes and Personnel Changes” published by the Target on May 8, 2020, Mr. Daisuke Terada plans to retire the representative director and director of the Target as of June 24, 2020.

(Note 3) According to the “Announcement of Appointment of Directors, Change of Representative Director, Organization Changes and Personnel Changes” published by the Target on May 8, 2020, Mr. Tsuyoshi Terada plans to be appointed as the representative director of the Target as of June 24, 2020.

(Note 4) “Number of shares owned” does not include shares indirectly owned by Mr. Mori, Mr. Daisuke Terada, and Mr. Tsuyoshi Terada through a cumulative stock investment in the Target.

(Note 5) “Ownership ratio” means the ratio (rounded to two decimal places) of shareholding to the number of shares (65,834,847 shares) (**“Total Number of Shares After Taking Potential Shares of the Target Into Consideration”**) obtained by deducting (i) the number of treasury shares owned by the Target as of March 31, 2020 set out in the “Summary of Consolidated Financial Statements for the business year ended March 31, 2020 [Japanese GAAP]” published by the Target on May 8, 2020 (the **“Target Summary of Financial Statements”**) (7,682,005 shares) from (ii) the number of shares 73,516,852 shares) that is equal to the sum of (a) the number of shares (498,900 shares) underlying the Stock

Acquisition Rights as of May 7, 2020 (498,900 stock acquisition rights) that is equal in number to the sum of the number of Series 6 Stock Acquisition Rights (according to the Target, 19,000 stock acquisition rights (number of underlying shares: 19,000 shares)) obtained by deducting the Series 6 Stock Acquisition Rights that have been exercised or have expired during the period from July 23, 2019 until May 7, 2020 (according to the Target, 13,800 stock acquisition rights (number of underlying shares: 13,800 shares)) from all of the Series 6 Stock Acquisition Rights as of July 22, 2019 set out in the Second Quarterly Report for the 48th Business Year submitted by the Target on November 13, 2019 (32,800 stock acquisition rights, number of underlying shares: 32,800) and (b) the number of the Stock Acquisition Rights (479,900 stock acquisition rights (according to the Target, 370,200 Series 1 Stock Acquisition Rights (number of underlying shares: 370,200 shares), 27,700 Series 2 Stock Acquisition Rights (number of underlying shares: 27,700 shares), 28,200 Series 3 Stock Acquisition Rights (number of underlying shares: 28,200 shares), 28,400 Series 4 Stock Acquisition Rights (number of underlying shares: 28,400 shares), 25,400 Series 5 Stock Acquisition Rights (number of underlying shares: 25,400 shares))) obtained by deducting the Stock Acquisition Rights that have been exercised or have expired during the period from April 1, 2019 until May 7, 2020 (980,400 stock acquisition rights (according to the Target, 923,400 Series 1 Stock Acquisition Rights (number of underlying shares: 923,400 shares), 10,800 Series 2 Stock Acquisition Rights (number of underlying shares: 10,800 shares), 13,700 Series 3 Stock Acquisition Rights (number of underlying shares: 13,700 shares), 15,300 Series 4 Stock Acquisition Rights (number of underlying shares: 15,300 shares), 17,200 Series 5 Stock Acquisition Rights (number of underlying shares: 17,200 shares))) from all of the Stock Acquisition Rights as of March 31, 2019 set out in the Annual Securities Report for the 47th business year submitted by the Target on June 26, 2019 (1,460,300 stock acquisition rights (number of underlying shares: 1,460,300 shares) and (iii) the number of issued shares of the Target as of March 31, 2020 set out in the Target Summary of Financial Statements (73,017,952 shares), hereinafter the same.

[Omitted]

If the Tender Offer is completed, the Offeror expects to receive a capital contribution of JPY 27,000,000,000 from K.K. BCJ-43 and loans totaling up to JPY 98,600,000,000 from MUFG Bank, Ltd. (“**MUFG Bank**”), Mizuho Bank, Ltd. (“**Mizuho Bank**”), Sumitomo Mitsui Banking Corporation (“**SMBC**”), and Nomura Capital Investment Co., Ltd. (“**Nomura Capital Investment**”) (the “**Acquisition Loan**”), and the Offeror plans on allocating that money to the settlement funds, etc. of the Tender Offer. The details of the loan terms pertaining to the Acquisition Loan are to be set out in the loan agreement pertaining to the Acquisition Loan upon separate consultation with MUFG Bank, Mizuho Bank, SMBC, and Nomura Capital Investment, but it is expected the loan agreement pertaining to the Acquisition Loan will provide that the shares of the Offeror and the Meiwa Owned Target Shares owned by K.K. BCJ-43 and the Target Shares, etc. to be acquired by the Offeror in the Tender Offer are to be provided as security.

[Omitted]

Thereafter, on June 22, 2020, the Offeror decided to extend the last day of the purchase period to July 9, 2020 in order to provide with the shareholders of the Target an opportunity for decision-making, considering the fact that the market price of the shares of the Target kept moving above the Tender Offer Price (the “**First Extension**”), and further, on July 9, 2020, the Offeror decided to extend the last day of the purchase period to August 3, 2020 for the same reason. As of both June 22, 2020, when the Offeror decided the First Extension, and the date of this Amendment, respectively, the Offeror doesn’t consider changing the Tender Offer Price or the Stock Acquisition Rights Purchase Prices.

(After Amendment)

The Offeror is a wholly-owned subsidiary of K.K. BCJ-43, whose issued shares of are indirectly owned solely by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (collectively, “**Bain Capital**”), and the Offeror is a stock company that was established on April 23, 2020 and whose main purpose is owning all of the Target Shares and controlling and managing the business activities of the Target. Further, Effissimo Capital Management Pte. Ltd. (“Effissimo”) is expected to cause ECM Master Fund, which is an investment fund to which Effissimo provides investment advice under a discretionary investment contract (Note 1), to make a capital contribution to K.K. BCJ-43 no later than the business day immediately following the last day of the purchase period pertaining to the Tender Offer subject to successful completion of the Tender Offer. As of today, none of Bain Capital, K.K. BCJ-43, or the Offeror owns any Target Shares, and Effissimo owns 100 Target Shares itself (shareholding ratio (defined below, hereinafter the same): 0.00%) and 8,321,600 Target Shares through ECM Master Fund (shareholding ratio (defined below, hereinafter the same): 12.64%). Effissimo first acquired the Target Shares itself or through ECM Master Fund when it acquired 36,400 Target Shares (shareholding ratio: 0.06%) on January 9, 2014, and following that it acquired the Target Shares on the market on multiple occasions, and it came to own 4,445,500 Target Shares as of September 15, 2014 (shareholding ratio: 6.75%), it came to own 7,869,200 Target Shares (shareholding ratio: 11.95%) as of June 30, 2015, and it came to own 8,321,700 Target Shares (shareholding ratio: 12.64%) as of June 14, 2019, which is the number of Target Shares it currently owns.

Bain Capital is an international investment company with a total of approximately \$105 billion in working assets worldwide, and since opening its Tokyo office in 2006, approximately 30 professionals have been working to improve the corporate value of Bain Capital’s portfolio companies in Japan. Most of those professionals have experience at industrial companies and consulting companies, and in addition to capital and financial support that is provided by general investment companies, Bain Capital has also steadily executed growth strategies by supporting business operations at a field level and led numerous measures for value improvement to a success. Bain Capital has an investment track record of 17 companies in Japan including Showa Aircraft Industry Co., Ltd., Cheetah Digital Co., Ltd. (currently EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (currently KIOXIA Corporation), Japan Wind Development Co., Ltd., Oedo-Onsen-Monogatari Co., Ltd., ASATSU-DK Inc., Jupiter Shop Channel Co., Ltd., Skylark Co., Ltd., Domino's Pizza Japan, Inc., Macromill, Inc., and BELLSYSTEM24, Inc., and Bain Capital has had achieved results globally from investments in 450 companies since its establishment in 1984.

Effissimo is an investment management company that was established in 2006 under the laws of the Republic of Singapore, and it operates funds that receive capital contributions from institutional investors with long-term funds, which are mainly North American pension funds and university foundations, in order to invest mainly in shares of listed Japanese companies. Effissimo basically makes investments in shares that are undervalued compared to the corporate value where it is expected the value of those shares will increase and dividends will be paid in association with an improvement in the corporate value over the medium to long term.

The Offeror will make this Tender Offer as part of a series of transactions (the “**Transaction**”) for a so-called management buyout (MBO) (Note 2) for the purpose of acquiring and owning all of the Target Shares listed on the First Section of the Tokyo Stock Exchange (including the Target Shares to be delivered upon exercise of the Stock Acquisition Rights, and excluding the treasury shares owned by the Target and the Target Shares owned by Meiwa Co., Ltd. (“**Meiwa**”) described below) and the Stock Acquisition Rights.

It is expected Mr. Nobusuke Mori (“**Mori**”), President and Representative Director of the Target, will continue to be a member of the management of the Target even after the completion of the Tender Offer and Mr. Mori is considering making a direct or indirect capital contribution to the Offeror so that they have a common goal of enhancing the corporate value of the Target (the specific amount and timing of that capital contribution have not yet been determined, but it is expected each of Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Keisuke Terada, who are to make reinvestments, will contribute part of the consideration they have obtained as a result of

tendering the Target Shares and Stock Acquisition Rights they own in the Tender Offer, hereinafter the same with respect to each reinvestment by Mr. Mori, Mr. Daisuke Terada, Mr. Tsuyoshi Terada, and Mr. Keisuke Terada). Further, Mr. Daisuke Terada, then Vice President and Representative Director of the Target as of May 8, 2020 (Note 3), is considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he intends to continue to support the Target as a relative of Ms. Akihiko Terada (“**Former Chairman Terada**”), who is the founder and the former Chairman and Representative Director of the Target. Mr. Tsuyoshi Terada, who is Vice President and Representative Director of the Target and was then Managing Director of the Target as of May 8, 2020 (Note 4), is also considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he will continue to be involved in the management of the Target, he shares a common goal of enhancing the corporate value of the Target, and he intends to continue to support the Target as a relative of Former Chairman Terada. Further, Mr. Keisuke Terada who is a relative of Former Chairman Terada is considering making a direct or indirect capital contribution to the Offeror to clearly show to the public that he intends to continue to support the Target as a relative of Former Chairman Terada.

Further, in making the Tender Offer, the Offeror executed tender offer agreements dated May 8, 2020 with each of Mr. Mori, President and Representative Director of the Target, (number of shares owned (Note 5): 55,508 shares, number of Stock Acquisition Rights owned: 67,500 stock acquisition rights (number of underlying shares: 67,500 shares), ownership ratio (Note 6): 0.19%), Mr. Daisuke Terada, who is a relative of Former Chairman Terada and was then Vice President and Representative Director of the Target as of May 8, 2020, (number of shares owned: 4,699,124 shares, number of Stock Acquisition Rights owned: 105,900 stock acquisition rights (number of underlying shares: 105,900 shares), ownership ratio: 7.30%), Mr. Tsuyoshi Terada, who is a relative of Former Chairman Terada and was then Managing Director of the Target as of May 8, 2020, (number of shares owned: 3,581,724 shares, number of Stock Acquisition Rights owned: 38,600 stock acquisition rights (number of underlying shares: 38,600 shares), ownership ratio: 5.50%), Ms. Kuniko Terada, who is a relative of Former Chairman Terada, (number of shares owned: 5,074 shares, ownership ratio: 0.01%), Mr. Keisuke Terada, who is a relative of Former Chairman Terada, (number of shares owned: 2,737,174 shares, ownership ratio: 4.16%), Ms. Ayako Terada, who is a relative of Former Chairman Terada, (number of shares owned: 688,100 shares, ownership ratio: 1.05%), Ms. Akemi Takato, who is a relative of Former Chairman Terada, (number of shares owned: 698,249 shares, ownership ratio: 1.06%), and Yugen Kaisha Meiko, which is an asset management company all of whose issued shares are owned by Mr. Keisuke Terada and Ms. Ayako Terada, (number of shares owned: 82,800 shares, ownership ratio: 0.13%) (collectively, the “**Tendering Shareholders**”), and the Tendering Shareholders agreed to tender in the Tender Offer all of the Target Shares and the Stock Acquisition Rights they own (excluding 39,650 shares with restrictions on transfer owned by Mr. Mori, 19,975 shares with restrictions on transfer owned by Daisuke Terada and 9,625 shares with restrictions on transfer owned by Tsuyoshi Terada, which constitute stock compensation with restrictions on transfer that have been allocated to Mr. Daisuke Terada and Mr. Tsuyoshi Terada as directors of the Target. According to the Target, the Target plans to acquire without contribution as of August 3, 2020, 13,825 shares with restrictions on transfer owned by Mr. Mori, 6,625 shares with restrictions on transfer owned by Mr. Daisuke Terada, and 3,125 shares with restrictions on transfer owned by Mr. Tsuyoshi Terada, which are the performance target commitment-based restricted shares, in accordance with the share allotment agreements with Mr. Mori, Mr. Daisuke Terada and Mr. Tsuyoshi Terada.) (Target Shares: 12,478,503 shares, number of Stock Acquisition Rights: 212,000 stock acquisition rights (number of underlying shares: 212,000 shares), ownership ratio: 19.28%).

The Offeror also agreed with Kuniko Terada, who is the sole shareholder of Meiwa, (the “**Meiwa Shareholder**”) on May 8, 2020 to acquire as part of the Transaction all of the issued shares of Meiwa (the “**Meiwa Shares**”) from the Meiwa Shareholder on the commencement date of the settlement pertaining to the Tender Offer (the “**Meiwa Share Transfer Date**”) with respect to Meiwa, which is an asset management company whose issued shares are solely owned by Kuniko Terada and which is the largest shareholder which is a major shareholder of the Target and which

owns 16,303,849 shares of the Target Shares (shareholding ratio: 24.76%, the “**Meiwa Owned Target Shares**”). The Meiwa Shareholder made a request to the Offeror in early February 2020 as part of the Transaction for the Offeror to acquire the Meiwa Shares instead of the Offeror acquiring the Meiwa Owned Target Shares through the Tender Offer, and the Offeror executed a share transfer agreement with the Meiwa Shareholder regarding the transfer of the Meiwa Shares dated May 8, 2020 (the “**Share Transfer Agreement**”), determining that if the transfer value of the Meiwa Shares to be paid by the Offeror to the Meiwa Shareholder as agreed below (the “**Meiwa Share Transfer Value**”) will be set as an amount calculated by deducting (i) all of the debts owed by Meiwa on the Meiwa Share Transfer Date from (ii) the amount obtained by multiplying the price for purchase, etc. of the Target Shares in the Tender Offer (the “**Tender Offer Price**”) by the Meiwa Owned Target Shares (16,303,849 shares) (JPY 1,670 per share) (JPY 27,227,427,830), and then adding (iii) the amount of the cash and cash equivalents and the tax assets of Meiwa on the Meiwa Share Transfer Date, the same economic value as the value that would be received by the Meiwa Shareholder if Meiwa tendered the Target Shares in the Tender Offer and that is not inconsistent with the “equal price doctrine” under Article 27-2, paragraph (3) of the Act and Article 8, paragraph (3) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as revised) after repeated discussions with the Meiwa Shareholder on matters such as the acquisition value and the acquisition procedure of the Meiwa Shares in light of the fact that the Offeror believes that the purpose of the Transaction can be achieved by acquisition of the Meiwa Shares, and that as of today Meiwa is an asset holding company that does not own any assets other than the Meiwa Shares, cash and cash equivalents, and tax assets. The Offeror agrees in the Share Transfer Agreement, as well as the calculation method of the Meiwa Share Transfer Value above, that the Meiwa Shareholder will cause Meiwa not to tender all of the Meiwa Owned Target Shares (number of shares owned: 16,303,849 shares, ownership ratio: 24.76%) in the Tender Offer, and that the Meiwa Shares owned by the Meiwa Shareholder will be transferred to the Offeror and the Offeror will acquire those shares on the Meiwa Share Transfer Date on the condition of completion of the Tender Offer and satisfaction of the other agreed items.

Further, after comprehensively taking into account the circumstances of market transactions of the Target Shares after the commencement of the Tender Offer and the need to ensure the successful completion of the Tender Offer and to reflect the intent of the shareholders and stock acquisition right holders that support the purpose of the Tender Offer and that have tendered shares and stock acquisition rights in the Tender Offer as much as possible, on July 31, 2020, the Offeror received from Effissimo (which holds 8,321,700 shares, shareholding ratio: 12.64%) a written pledge providing that Effissimo tenders or cause ECM Master Fund to tender all of the Target Shares Effissimo owns itself or through ECM Master Fund (8,321,700 shares, shareholding ratio of those tendered shares: 12.64%, the “**Effissimo Tender-Agreed Shares**”) in the Tender Offer, and Effissimo will cause ECM Master Fund to subscribe for non-voting right shares issued by K.K. BCJ-43, on the condition that the Tender Offer is successfully completed, no later than the business day immediately following the last day of the purchase period pertaining to the Tender Offer (the “**Written Pledge**”), and on that day, K.K. BCJ-43 and Effissimo executed a subscription agreement pertaining to the subscription for those non-voting right shares (the “**Subscription Agreement**”).

(Note 1) ECM Master Fund is a trust-type investment fund established under the laws of the Cayman Islands that receives investment advice from Effissimo under a discretionary investment contract, and Effissimo has the authority to administer and to give instructions to ECM Master Fund as an asset management company and it invests and administers the assets of ECM Master Fund. ECM Master Fund is a trust and it does not have any shares or capital in the manner of a stock company, so it does not have a capital relationship with Effissimo, and Effissimo does not have a capital relationship with SMP Partners (Cayman) Limited, which is the Trustee of ECM Master Fund.

(Note 2) “Management buyout (MBO)” is a transaction where the Offeror is a person that conducts a tender offer based on an agreement with certain officers of the Target and that has a common interest with such officers of the Target.

(Note 3) According to the “Announcement of Appointment of Directors, Change of Representative Director, Organization Changes and Personnel Changes” published by the Target on May 8, 2020, Mr.

Daisuke Terada retired the representative director and director of the Target as of June 24, 2020.

(Note 4) According to the “Announcement of Appointment of Directors, Change of Representative Director, Organization Changes and Personnel Changes” published by the Target on May 8, 2020, Mr. Tsuyoshi Terada was appointed as the representative director of the Target as of June 24, 2020.

(Note 5) “Number of shares owned” does not include shares indirectly owned by Mr. Mori, Mr. Daisuke Terada, and Mr. Tsuyoshi Terada through a cumulative stock investment in the Target.

(Note 6) “Ownership ratio” means the ratio (rounded to two decimal places) of shareholding to the number of shares (65,834,847 shares) (“**Total Number of Shares After Taking Potential Shares of the Target Into Consideration**”) obtained by deducting (i) the number of treasury shares owned by the Target as of March 31, 2020 set out in the “Summary of Consolidated Financial Statements for the business year ended March 31, 2020 [Japanese GAAP]” published by the Target on May 8, 2020 (the “**Target Summary of Financial Statements**”) (7,682,005 shares) from (ii) the number of shares 73,516,852 shares) that is equal to the sum of (a) the number of shares (498,900 shares) underlying the Stock Acquisition Rights as of May 7, 2020 (498,900 stock acquisition rights) that is equal in number to the sum of the number of Series 6 Stock Acquisition Rights (according to the Target, 19,000 stock acquisition rights (number of underlying shares: 19,000 shares)) obtained by deducting the Series 6 Stock Acquisition Rights that have been exercised or have expired during the period from July 23, 2019 until May 7, 2020 (according to the Target, 13,800 stock acquisition rights (number of underlying shares: 13,800 shares)) from all of the Series 6 Stock Acquisition Rights as of July 22, 2019 set out in the Second Quarterly Report for the 48th Business Year submitted by the Target on November 13, 2019 (32,800 stock acquisition rights, number of underlying shares: 32,800) and (b) the number of the Stock Acquisition Rights (479,900 stock acquisition rights (according to the Target, 370,200 Series 1 Stock Acquisition Rights (number of underlying shares: 370,200 shares), 27,700 Series 2 Stock Acquisition Rights (number of underlying shares: 27,700 shares), 28,200 Series 3 Stock Acquisition Rights (number of underlying shares: 28,200 shares), 28,400 Series 4 Stock Acquisition Rights (number of underlying shares: 28,400 shares), 25,400 Series 5 Stock Acquisition Rights (number of underlying shares: 25,400 shares))) obtained by deducting the Stock Acquisition Rights that have been exercised or have expired during the period from April 1, 2019 until May 7, 2020 (980,400 stock acquisition rights (according to the Target, 923,400 Series 1 Stock Acquisition Rights (number of underlying shares: 923,400 shares), 10,800 Series 2 Stock Acquisition Rights (number of underlying shares: 10,800 shares), 13,700 Series 3 Stock Acquisition Rights (number of underlying shares: 13,700 shares), 15,300 Series 4 Stock Acquisition Rights (number of underlying shares: 15,300 shares), 17,200 Series 5 Stock Acquisition Rights (number of underlying shares: 17,200 shares))) from all of the Stock Acquisition Rights as of March 31, 2019 set out in the Annual Securities Report for the 47th business year submitted by the Target on June 26, 2019 (1,460,300 stock acquisition rights (number of underlying shares: 1,460,300 shares) and (iii) the number of issued shares of the Target as of March 31, 2020 set out in the Target Summary of Financial Statements (73,017,952 shares), hereinafter the same.

[Omitted]

If the Tender Offer is completed, the Offeror expects to receive a capital contribution of JPY 28,100,000 (including JPY 1,550,000,000 as the amount to be contributed by ECM Master Fund to K.K. BCJ-43, on the condition that the Tender Offer is successfully completed, no later than the business day immediately following the last day of the purchase period pertaining to the Tender Offer) from K.K. BCJ-43 and loans totaling up to JPY 102,500,000 from MUFG Bank, Ltd. (“**MUFG Bank**”), Mizuho Bank, Ltd. (“**Mizuho Bank**”), Sumitomo Mitsui

Banking Corporation (“SMBC”), and Nomura Capital Investment Co., Ltd. (“Nomura Capital Investment”) (the “Acquisition Loan”), and the Offeror plans on allocating that money to the settlement funds, etc. of the Tender Offer. The details of the loan terms pertaining to the Acquisition Loan are to be set out in the loan agreement pertaining to the Acquisition Loan upon separate consultation with MUFG Bank, Mizuho Bank, SMBC, and Nomura Capital Investment, but it is expected the loan agreement pertaining to the Acquisition Loan will provide that the shares of the Offeror and the Meiwa Owned Target Shares owned by K.K. BCJ-43 and the Target Shares, etc. to be acquired by the Offeror in the Tender Offer are to be provided as security.

[Omitted]

Thereafter, on June 22, 2020, the Offeror decided to extend the last day of the purchase period to July 9, 2020 in order to provide with the shareholders of the Target an opportunity for decision-making, considering the fact that the market price of the shares of the Target kept moving above the Tender Offer Price, and further, on July 9, 2020, the Offeror decided to extend the last day of the purchase period to August 3, 2020 for the same reason.

Following that further extension of the purchase period, considering the fact that the market price of the shares of the Target has continued to move above the Tender Offer Price, in order to increase the likelihood of the successful completion of the Tender Offer, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital had a discussion with Effissimo on July 14, 2020, which continues to own the Target Shares since it started to make investments in the Target in 2014 and currently owns 8,321,700 Target Shares (shareholding ratio: 12.64%), and they requested Effissimo to tender in the Tender Offer all of the Target Shares it owns. In response, Effissimo expressed a desire to continue to invest in the Target over the medium to long term and an intention to jointly support various measures to be implemented by Bain Capital after the Tender Offer with the aim of improving the corporate value of the Target. In response, in light of factors such as the fact that Effissimo owns the Target Shares over the medium to long term, from before the announcement of the Tender Offer, there have been repeated discussions and negotiations with the Target on measures aimed at improving the corporate value of the Target including structural reforms from the perspective of endeavoring to improve the corporate value of the Target, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital decided to support the Target jointly with Effissimo and on July 21, 2020, they made a proposal to Effissimo for a scheme where the Target will be supported by Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital jointly with Effissimo in a form where Effissimo continues to make investments in the Target even after the implementation of the Transaction by making capital contributions to K.K. BCJ-43 after Effissimo has tendered all of the Target Shares it owns itself or through ECM Master Fund in the Tender Offer. Following that, after repeated negotiations with Effissimo, on July 31, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital reached an agreement with Effissimo to the effect that Effissimo will participate in the Transaction to make the Target private through the Transaction based on that scheme and the Offeror received the Written Pledge from Effissimo and the Subscription Agreement was executed between K.K. BCJ-43 and Effissimo. Further, given that the most recent market price of the Target Shares has moved above JPY 1,500 which is the Tender Offer Price before the change, Mr. Mori, Mr. Tsuyoshi Terada, Bain Capital, and Effissimo believe it is necessary to provide the existing shareholders of the Target with an opportunity to sell the Target Shares for an amount that is higher than the Tender Offer Price before the change and they have conducted repeated negotiations with the Target, and finally, on July 31, 2020, the Offeror decided to change the Tender Offer Price from JPY 1,500 to JPY 1,670, and to change the Stock Acquisition Right Purchase Prices to those obtained by multiplying the difference between JPY 1,670, which is the Tender Offer Price after the change, and the exercise price per share of the Target Shares for each series of the Stock Acquisition Rights by 1, which is the number of common shares subject to such stock acquisition rights. Specifically, the Offeror set the Stock Acquisition Right Purchase Price for the Series 1 Stock Acquisition Rights at JPY 562, which is an amount obtained by multiplying JPY 562, which is the difference between the Tender Offer Price after the change and JPY 1,108, which is the exercise price per share of the Target Shares with respect to the Series 1 Stock Acquisition Rights, and the Stock Acquisition Right Purchase Price for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights at JPY 1,669, which is an amount obtained by multiplying JPY 1,669, which is the difference between the

Tender Offer Price after the change and JPY 1, which is the exercise price per share of the Target Shares with respect to the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, by 1, respectively. Further, in connection with that, the Offeror decided to extend the last day of the purchase period to August 17, 2020, which is the day that is 10 business days from July 31, 2020, which is the submission date of the Amendment to Tender Offer Registration Statement pertaining to this revision.

Further, according to the “(Amendment) Partial Amendment to the Notice Regarding Implementation of the MBO and Recommendation of the Tender Offer” announced by the Target on July 31, 2020 (the “**Amended Target Press Release**”), after careful consideration at the meeting of the board of directors of the Target held on July 31, 2020 with respect to implementing the Tender Offer jointly with Effissimo as described above and increasing the Tender Offer Price (the “**Change to Purchase Conditions**”), the Target resolved to maintain an opinion approving the Tender Offer and maintain an opinion recommending all of the shareholders of the Target and all of the Stock Acquisition Right Holders to tender their shares and stock acquisition rights in the Tender Offer as announced in the Target Press Release. For details, see the Target Press Release and the Amended Target Press Release.

3. Basis of the Calculation

(1) Common Shares

(Before Amendment)

When determining the Tender Offer Price, the Offeror conducted a multifaceted and comprehensive analysis of the business status and financial condition of the Target based on materials such as financial information disclosed by the Target and the results of due diligence of the Target conducted from the middle of February until late April 2020. Further, in light of the fact that the Target Shares are traded on a financial instruments exchange, the Offeror referred to the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer (JPY1,094) and changes in the simple average closing prices of the Target Shares (JPY1,080, JPY1,123, and JPY1,377) (rounded to the nearest whole number; the same applies to the calculation of simple average closing prices below) for the most recent month (April 8, 2020 to May 7, 2020), the most recent three months (February 10, 2020 to May 7, 2020), and the most recent six months (November 8, 2019 to May 7, 2020). The Offeror also analyzed the share value of the Target by comparing financial indices such as the market prices and profitability of listed companies that are comparable to the Target in terms of business details and size and earnings status.

Further, the Offeror determined the Tender Offer Price by comprehensively considering whether the Tender Offer will be approved by the Target and the prospect of the completion of the Tender Offer and through discussions and consultation with the Target, and the Offeror has not obtained a share valuation report from an independent valuation agent.

The Tender Offer Price of 1,500 yen includes a premium of (i) 37.11% (rounded to two decimal places; the same applies to the numbers of premiums on stock prices below) on JPY1,094 as the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer, (ii) 38.89% on JPY1,080 as the simple average closing price for the most recent month (April 8, 2020 to May 7, 2020), (iii) 33.57% on JPY1,123 as the simple average closing price for the most recent three months (February 10, 2020 to May 7, 2020), or (vi) 8.93% on JPY1,377 as the simple average closing price for the most recent six months (November 8, 2019 to May 7, 2020).

(After Amendment)

When determining the Tender Offer Price before the change, the Offeror conducted a multifaceted and comprehensive analysis of the business status and financial condition of the Target based on materials such as financial information disclosed by the Target and the results of due diligence of the Target conducted from the middle of February until late April 2020. Further, in light of the fact that the Target Shares are traded on a financial instruments exchange, the Offeror referred to the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer (JPY1,094) and changes in the simple average closing prices of the Target Shares (JPY1,080, JPY1,123, and JPY1,377) (rounded to the nearest whole number; the same applies to the calculation of simple average closing prices below) for the most recent month (April 8, 2020 to May 7, 2020), the most recent three months (February 10, 2020 to May 7, 2020), and the most recent six months (November 8, 2019 to May 7, 2020). The Offeror also analyzed the share value of the Target by comparing financial indices such as the market prices and profitability of listed companies that are comparable to the Target in terms of business details and size and earnings status.

Following that further extension of the purchase period, considering the fact that the market price of the shares of the Target has continued to move above the Tender Offer Price, in order to increase the likelihood of the successful completion of the Tender Offer, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital had a discussion with Effissimo on July 14, 2020, which continues to own the Target Shares since it started to make investments in the Target in 2014 and currently owns 8,321,700 Target Shares (shareholding ratio: 12.64%), and they requested Effissimo to tender in the Tender Offer all of the Target Shares it owns. In response, Effissimo expressed a desire to continue to invest in the Target over the medium to long term and an intention to jointly support various measures to be implemented by Bain Capital after the Tender Offer with the aim of improving the corporate value of the Target. In response, in light of factors such as the fact that Effissimo owns the Target Shares over the medium to long term, from before the announcement of the Tender Offer, there have been repeated discussions and negotiations with the Target on measures aimed at improving the corporate value of the Target including structural reforms from the perspective of endeavoring to improve the corporate value of the Target, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital decided to support the Target jointly with Effissimo and on July 21, 2020, they made a proposal to Effissimo for a scheme where the Target will be supported by Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital jointly with Effissimo in a form where Effissimo continues to make investments in the Target even after the implementation of the Transaction by making capital contributions to K.K. BCJ-43 after Effissimo has tendered all of the Target Shares it owns itself or through ECM Master Fund in the Tender Offer. Following that, after repeated negotiations with Effissimo, on July 31, 2020, Mr. Mori, Mr. Tsuyoshi Terada, and Bain Capital reached an agreement with Effissimo to the effect that Effissimo will participate in the Transaction to make the Target private through the Transaction based on that scheme and the Offeror received the Written Pledge from Effissimo and the Subscription Agreement was executed between K.K. BCJ-43 and Effissimo. Further, given that the most recent market price of the Target Shares has moved above JPY 1,500 which is the Tender Offer Price before the change, Mr. Mori, Mr. Tsuyoshi Terada, Bain Capital, and Effissimo believe it is necessary to provide the existing shareholders of the Target with an opportunity to sell the Target Shares for an amount that is higher than the Tender Offer Price before the change and they have conducted repeated negotiations with the Target, and finally, on July 31, 2020, the Offeror decided to change the Tender Offer Price from JPY 1,500 to JPY 1,670.

Further, the Offeror determined the Tender Offer Price before the change by comprehensively considering whether the Tender Offer will be approved by the Target and the prospect of the completion of the Tender Offer and through discussions and consultation with the Target, and the Offeror has not obtained a share valuation report from an independent valuation agent. Further, the Offeror did not obtain a share valuation report from an independent valuation agent when it changed the Tender Offer Price to JPY 1,670.

The Tender Offer Price before the change of 1,500 yen includes a premium of (i) 37.11% (rounded to two decimal places; the same applies to the numbers of premiums on stock prices below) on JPY1,094 as the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer, (ii) 38.89% on JPY1,080 as the simple average closing price for the most recent month (April 8, 2020 to May 7, 2020), (iii) 33.57% on JPY1,123 as the simple average closing price for the most recent three months (February 10, 2020 to May 7, 2020), or (vi) 8.93% on JPY1,377 as the simple average closing price for the most recent six months (November 8, 2019 to May 7, 2020).

On the other hand, the Tender Offer Price after the change of JPY 1,670 includes a premium of (i) 52.65% on JPY 1,094 as the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on May 7, 2020, which is the business day immediately preceding the day on which the Offeror decided to commence the Tender Offer, (ii) 54.63% on JPY1,080 as the simple average closing price for the most recent month (April 8, 2020 to May 7, 2020), (iii) 48.71% on JPY1,123 as the simple average closing price for the most recent three months (February 10, 2020 to May 7, 2020), or (iv) 21.28% on JPY1,377 as the simple average closing price for the most recent six months (November 8, 2019 to May 7, 2020). Further, the Tender Offer Price after the change of JPY 1,670 includes a premium of 7.74% on JPY 1,550 as the closing price of the Target Shares on July 30, 2020, which is the business day immediately preceding the submission date of this Amendment to Tender Offer Registration Statement.

(2) Stock Acquisition Rights

(Before Amendment)

With respect to the Stock Acquisition Rights, as of today, the exercise price per share of the Target Shares (Series 1 Stock Acquisition Rights: 1,108 yen, Series 2 Stock Acquisition Rights: 1 yen, Series 3 Stock Acquisition Rights: 1 yen, Series 4 Stock Acquisition Rights: 1 yen, Series 5 Stock Acquisition Rights: 1 yen, Series 6 Stock Acquisition Rights: 1 yen) is less than the Tender Offer Price (1,500 yen). Hence, the Offeror has set the purchase price per Stock Acquisition Right in the Tender Offer (the “**Stock Acquisition Right Purchase Price**”) at an amount obtained by multiplying the difference between 1,500 yen, which is the Tender Offer Price, and the exercise price per share of the Target Shares for each Stock Acquisition Right by 1, which is the number of common shares underlying each Stock Acquisition Right. Specifically, the Offeror set the purchase price for the Series 1 Stock Acquisition Rights at 392 yen, which is an amount obtained by multiplying 392 yen, which is the difference between the Tender Offer Price and 1,108 yen, which is the exercise price per share of the Target Shares with respect to the Series 1 Stock Acquisition Rights by 1, and the purchase price for the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights at 1,499 yen, which is an amount obtained by multiplying 1,499 yen, which is the difference between the Tender Offer Price and 1 yen, which is the exercise price per share of the Target Shares with respect to the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights by 1.

Further, all of the Stock Acquisition Rights were issued to officers and employees of the Target and officers of subsidiaries of the Target as stock options, and an approval of the board of directors of the Target is necessary to acquire the Stock Acquisition Rights by way of transfer under the Terms and Conditions of the Issuance of Stock Acquisition Rights, and moreover, transfers of the Stock Acquisition Rights are prohibited in a Stock Acquisition Right Allotment Agreement. In order to make it possible to transfer the Stock Acquisition Rights, the Target adopted, on the condition that the Tender Offer is complete, a resolution at the meeting of the board of directors held on May 8, 2020 to give comprehensive approval for all of the Stock Acquisition Right Holders to transfer the Stock Acquisition Rights they own to the Offeror by tendering those Stock Acquisition Rights in the Tender Offer and making it possible to amend the terms of the Stock Acquisition Right Allotment Agreements

with the Stock Acquisition Right Holders that desire to transfer the Stock Acquisition Rights so that it is possible to transfer those Stock Acquisition Rights.

Further, given that when determining the Stock Acquisition Right Purchase Price, the Offeror calculated that price based on the Tender Offer Price, so the Offeror has not obtained a valuation report from an independent valuation agent.

(After Amendment)

With respect to the Stock Acquisition Rights, as of today, the exercise price per share of the Target Shares (Series 1 Stock Acquisition Rights: 1,108 yen, Series 2 Stock Acquisition Rights: 1 yen, Series 3 Stock Acquisition Rights: 1 yen, Series 4 Stock Acquisition Rights: 1 yen, Series 5 Stock Acquisition Rights: 1 yen, Series 6 Stock Acquisition Rights: 1 yen) is less than the Tender Offer Price before the change (1,500 yen). Hence, the Offeror has set the purchase price per Stock Acquisition Right in the Tender Offer (the “**Stock Acquisition Right Purchase Price**”) at an amount obtained by multiplying the difference between 1,500 yen, which is the Tender Offer Price before the change, and the exercise price per share of the Target Shares for each Stock Acquisition Right by 1, which is the number of common shares underlying each Stock Acquisition Right.

Specifically, the Offeror set the purchase price for the Series 1 Stock Acquisition Rights at 392 yen, which is an amount obtained by multiplying 392 yen, which is the difference between the Tender Offer Price and 1,108, yen, which is the exercise price per share of the Target Shares with respect to the Series 1 Stock Acquisition Rights by 1, and the purchase price for the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights at 1,499 yen, which is an amount obtained by multiplying 1,499 yen, which is the difference between the Tender Offer Price and 1 yen, which is the exercise price per share of the Target Shares with respect to the Series 2 Stock Acquisition Rights through the Series 6 Stock Acquisition Rights by 1.

Following that, since the Offeror decided to change the Tender Offer Price from JPY 1,500 to JPY 1,670, it also decided to change the Stock Acquisition Right Purchase Prices to those obtained by multiplying the difference between JPY 1,670, which is the Tender Offer Price after the change and the exercise price per share of the Target Shares for each series of stock acquisition rights by 1, which is the number of common shares subject to such stock acquisition rights. Specifically, the Offeror set the Stock Acquisition Right Purchase Price for the Series 1 Stock Acquisition Rights at JPY 562, which is an amount obtained by multiplying JPY 562, which is the difference between the Tender Offer Price after the change and JPY 1,108, which is the exercise price per share of the Target Shares with respect to the Series 1 Stock Acquisition Rights, and the Stock Acquisition Right Purchase Price for the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights at JPY 1,669, which is an amount obtained by multiplying JPY 1,669, which is the difference between the Tender Offer Price after the change and JPY 1, which is the exercise price per share of the Target Shares with respect to the Series 2 Stock Acquisition Rights through Series 6 Stock Acquisition Rights, by 1, respectively.

Further, all of the Stock Acquisition Rights were issued to officers and employees of the Target and officers of subsidiaries of the Target as stock options, and an approval of the board of directors of the Target is necessary to acquire the Stock Acquisition Rights by way of transfer under the Terms and Conditions of the Issuance of Stock Acquisition Rights, and moreover, transfers of the Stock Acquisition Rights are prohibited in a Stock Acquisition Right Allotment Agreement. In order to make it possible to transfer the Stock Acquisition Rights, the Target adopted, on the condition that the Tender Offer is complete, a resolution at the meeting of the board of directors held on May 8, 2020 to give comprehensive approval for all of the Stock Acquisition Right Holders to transfer the Stock Acquisition Rights they own to the Offeror by tendering those Stock Acquisition Rights in the Tender Offer and making it possible to amend the terms of the Stock Acquisition Right Allotment Agreements with the Stock Acquisition Right Holders that desire to transfer the Stock Acquisition Rights so that it is possible to transfer those Stock Acquisition Rights.

Further, given that when determining the Stock Acquisition Right Purchase Price before the change, the Offeror calculated that price based on the Tender Offer Price before the change, so the Offeror has not obtained a valuation report from an independent valuation agent. Further, the Offeror did not obtain a valuation report from an independent valuation agent when it changed the Stock Acquisition Right Purchase Price as described above.

4. Policy of Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)

(ii) Consolidation of Shares

(Before Amendment)

If the total number of voting rights owned by the Offeror and Meiwa (wholly-owned subsidiary corporation of a special controlling shareholder) after the completion of the Tender Offer is less than 90% of the voting rights of all shareholders of the Target, the Offeror will, promptly after the completion of the settlement of the Tender Offer and under the provisions of Article 180 of the Companies Act, make a request to the Target to hold an extraordinary shareholders meeting (the “**Extraordinary Shareholders Meeting**”) and to propose as agenda items at the Extraordinary Shareholders Meeting a consolidation of the Target Shares (the “**Share Consolidation**”) and a partial amendment to its Articles of Incorporation to abolish the provision on share units on the condition of the Share Consolidation taking effect.

The Offeror believes it would be preferable for the Extraordinary Shareholders Meeting to be held as soon as possible from the perspective of enhancement of the corporate value of the Target, so the Offeror will make a request to the Target to make an Announcement of Establishment of a Record Date so that the date promptly following the commencement date of the settlement of the Tender Offer (as of today, late-August, 2020) will be the record date of the Extraordinary Shareholders Meeting. According to the Target Press Release, if the Target receives such a request from the Offeror, it will comply with that request. It is also expected that the Offeror and Meiwa will approve each of the above proposals at the Extraordinary Shareholders Meeting.

[Omitted]

(After Amendment)

If the total number of voting rights owned by the Offeror and Meiwa (wholly-owned subsidiary corporation of a special controlling shareholder) after the completion of the Tender Offer is less than 90% of the voting rights of all shareholders of the Target, the Offeror will, promptly after the completion of the settlement of the Tender Offer and under the provisions of Article 180 of the Companies Act, make a request to the Target to hold an extraordinary shareholders meeting (the “**Extraordinary Shareholders Meeting**”) and to propose as agenda items at the Extraordinary Shareholders Meeting a consolidation of the Target Shares (the “**Share Consolidation**”) and a partial amendment to its Articles of Incorporation to abolish the provision on share units on the condition of the Share Consolidation taking effect.

The Offeror believes it would be preferable for the Extraordinary Shareholders Meeting to be held as soon as possible from the perspective of enhancement of the corporate value of the Target, so the Offeror will make a request to the Target to make an Announcement of Establishment of a Record Date so that the date promptly following the commencement date of the settlement of the Tender Offer (as of today, early-September, 2020) will be the record date of the Extraordinary Shareholders Meeting. According to the Target Press Release, if the Target receives such a request from the Offeror, it will comply with that request. It is also expected that the Offeror and Meiwa will approve each of the above proposals at the Extraordinary Shareholders Meeting.

[Omitted]

-End-

Restrictions on Solicitation

This press release is intended for the announcement of the Tender Offer to the general public and is not intended to solicit sales of shares. If any shareholder desires to sell his or her shares, the shareholder should review the Tender Offer explanatory statement and accept the Tender Offer in his or her own discretion. This press release is not considered as an offer or solicitation of sales of securities or as a solicitation of a purchase offer, and does not constitute any such part. This press release (or any part thereof) or the fact of its distribution does not provide a basis of any kind of agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

Forward Looking Statements

This press release contains “forward looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties, or other factors, it is possible that actual results may differ materially from the projections expressly or implicitly indicated by such “forward looking statements”. Neither the Tender Offeror nor its affiliates guarantee that the projections expressly or implicitly indicated by such “forward looking statements” will be correct. The “forward looking statements” in this press release were prepared based on information available to the Tender Offeror as of the date of this press release, and neither the Tender Offeror nor its affiliates undertake any obligation to update or modify such statements to reflect events or circumstance that may arise after this release.