Cover Sheet

Submitted Document	Amendment to Tender Offer Registration Statement
Government Agent to Receive Filing	Director of the Kanto Finance Bureau
Submission Date	July 31, 2020
Name of Submitting Party	K.K. BCJ-44
Address or Location of Submitting Party	Palace Building 5F, 1-1-1, Marunouchi, Chiyoda-ku, Tokyo
Nearest Point of Contact	Palace Building 5F, 1-1-1, Marunouchi, Chiyoda-ku, Tokyo
Phone Number	+81-3-6212-7070
Name of Administrative Contact	Yuji Sugimoto, Representative Director
Name of agent	Not applicable.
Address or Address of Agent	Not applicable.
Nearest Point of Contact	Not applicable.
Phone Number	Not applicable.
Name of Administrative Contact	Not applicable.
Place for public inspection	K.K. BCJ-44
	(Palace Building 5F, 1-1-1, Marunouchi, Chiyoda-ku, Tokyo)
	Tokyo Stock Exchange, Inc.
	(2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

(Note 1) In this Statement, the "Offeror" means K.K. BCJ-44.

(Note 2) In this Statement, the "Target" means Nichiigakkan Co., Ltd.

(Note 3) Where figures in this Statement have been rounded or truncated, the amount indicated as the total might not always coincide with the sum of the relevant figures.

(Note 4) In this Statement, the "Act" means the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

(Note 5) In this Statement, "Order" means the Financial Instruments and Exchange Act Enforcement Order (Cabinet Order No. 321 of 1965, as amended).

(Note 6) In this Statement, "Share Certificates, Etc." means rights pertaining to shares etc.

(Note 7) In this Statement, "Business Day" means any day other than a day set out in any item of Article 1, paragraph (1) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988, as amended).

(Note 8) Unless otherwise provided, any reference in this Statement to a number of days or a date and time means the number of days or the date and time in Japan.

(Note 9) The tender offer for which this Statement is being submitted (the "Tender Offer") will be conducted in compliance with the procedures and information disclosure standards set out in the Act, but those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the

Tender Offer is not subject to Section 13(e) or Section 14(d) of the United States Securities Exchange Act of 1934 (as amended, the "United States Securities Exchange Act of 1934") or the rules set out thereunder, and the Tender Offer will not be conducted in line with those procedures or standards. All of the financial data included in this Statement is in accordance with the accounting standards of Japan and not those of the United States, and not necessarily equivalent to the financial information of a company in the United States. The Offeror is a corporation that has been established outside of the United States and the directors of the Offeror reside outside of the United States, so it may be difficult to exercise any rights or make any demands under the federal securities laws of the United States. It also may be impossible to commence legal proceedings against a corporation that is based outside of the United States or its directors in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. Additionally, the jurisdiction of a United States court over a corporation that is based outside of the United States, or subsidiaries of such a corporation may not be recognized.

(Note 10) Unless otherwise provided, all of the procedures concerning the Tender Offer will be conducted in the Japanese language. All or some of the documents related to the Tender Offer are prepared in the English language, and if there is a discrepancy between that English language document and the corresponding Japanese language document, the Japanese language document will prevail.

(Note 11) Statements that constitute "forward-looking statements" as defined in Section 27A of the Securities Act of 1933 of the United States (as amended) and Section 21E of the United States Securities Exchange Act of 1934 are included in statements in this Statement. There may be a significant difference between actual results and the express or implied predictions, etc. made as "forward-looking statements" due to known or unknown risks, uncertainties, and other factors. None of the Offeror and its affiliates guarantee that any express or implied prediction, etc. made as a "forward-looking statements" will ultimately be correct. The "forward-looking statements" in this Statement have been prepared based on information that is available to the Offeror as of the submission date of this Statement, and unless required by applicable laws and regulations or rules of securities exchanges, none of the Offeror and any of its affiliates has an obligation to update or correct those statements in order to reflect future events or circumstances.

(Note 12) The Offeror, financial advisors of the Offeror and the Target, and the tender offer agent (including Affiliates thereof) might, before the commencement of the Tender Offer or during the purchase period of the Tender Offer (the "Tender Offer Period"), purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of shares of the Target on its own account or the account of its client to the extent permitted by Japanese laws related to financial instruments transactions and other applicable laws and regulations in the scope of its ordinary business and in accordance with the requirements of Rule 14e-5(b) of the United States Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on a website of the person that conducted that purchase (or by another disclosure method).

1. Reason for filing of Amendment to Tender Offer Registration Statement

This Amendment to Tender Offer Registration Statement is filed in accordance with Article 27-8, Paragraph 2 of the Act with regard to the Tender Offer Registration Statement filed as of May 11, 2020 (including the matters amended by the Amendment to the Tender Offer Registration Statement filed as of May 19, 2020, June 22, 2020, June 25, 2020 and July 9, 2020, respectively), in order to amend part of the descriptions in the Tender Offer Registration Statement as the events which require such amendment have occurred.

2. Matters to be Amended

A. Tender Offer Registration Statement

I. Terms of the Tender Offer

3. Purpose of the Purchase

(1) Overview of the Tender Offer

(2) Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy

(i) Background, etc. of the Tender Offer

(ii) Decision-Making Process behind the Target's Decision to Support the Tender Offer, and the Reasons Therefor

(iii) Post-Tender Offer Managerial Policy

(3) Material Agreements Concerning the Tender Offer

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

(ii) Consolidation of Shares

4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased

(1) Purchase Period

(i) Initial Tender Offer Period as of the date of this Statement

(2) Purchase Price

5. Ownership Ratio of Share Certificates, Etc. After the Purchase, Etc.

8. Funds Required for the Tender Offer

(1) Funds, etc., Required for the Tender Offer

(2) Deposits or Borrowings, etc., that may be Appropriated to Funds Required for the Tender Offer

(iii) Funds that are to be borrowed on or after the filing date of the Statement

a. Financial institutions

(iv) Other financing methods

(v) Total of deposits or borrowings, etc., that may be Appropriated to Funds Required for the Tender Offer

10. Method of Settlement

(2) Commencement Date of the Settlement

II. Status of the Offeror

1. In the Case of a Corporation

(1) Outline of the Offeror

(iii) Amount of Capital and Total Number of Issued Shares

III. Status of Ownership and Status of Trading of Share Certificates, Etc. by the Offeror and Special Related Parties Thereof

1. Status of Ownership of Share Certificates, Etc.

(1) Total Status of Ownership of Share Certificates, Etc. by the Offeror and the Special Related Parties

(3) Status of Ownership of Share Certificates, Etc. by the Special Related Parties (Total for the Special Related Parties)

(4) Status of Ownership of Share Certificates, Etc. by the Special Related Parties (Breakdown for each Special Related Party)

(i) Special Related Parties

(ii) Number of Share Certificates, Etc. Owned

3. Material Agreements Executed in Connection with the Share Certificates, Etc.

IV. Transactions, Etc. Between the Offeror and the Target

2. Agreements Between the Offeror and the Target or its Officers, and the Details Thereof

(1) Support of the Tender Offer

(2) Agreements Between the Offeror and the Officers of the Target, and the Details Thereof

V. Status of the Target

4. Matters Concerning the Target as a Continuous Disclosure Target

(1) Documents Submitted by the Target

(ii) Quarterly securities report or semiannual securities report

B. Attachment to Tender Offer Registration Statement

3. Description Before and After Amendment

Amended portions are underlined.

A. Tender Offer Registration Statement

I. Terms of the Tender Offer

3. Purpose of the Purchase

(1) Overview of the Tender Offer

(Before Amendment)

The Offeror, a wholly-owned subsidiary of K.K. BCJ-43, whose issued shares are indirectly held solely by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (collectively, "**Bain Capital**"), is a joint-stock corporation incorporated on April 23, 2020 for the main purpose of acquiring and holding all of the common shares of the Target (the "**Target Shares**") and controlling and managing the business activities of the Target. As of the Submission Date, none of Bain Capital, K.K. BCJ-43, or the Offeror holds any Target Shares.

Bain Capital is an international investment company with global assets under management of approximately 105 billion U.S. dollars and has been making efforts to add value to the businesses it has invested in through its team of approximately 30 professionals in Japan since establishing its Tokyo base office in 2006. Bain Capital is structured around its professionals with experience primarily in industry or consulting, and through its provision of on-the-ground support to management and steady implementation of growth strategies, in addition to the capital and financial support provided by all investment companies, and it has achieved numerous successes in value creation. Bain Capital performed investments in seventeen 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., Ooedo-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. in Japan and in more than 450 companies worldwide 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 Inc. (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 Nobusuke Mori ("**Mr. 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 the Stock Acquisition Rights they own in the Tender Offer, hereinafter the same with respect to each reinvestment by Mr. Mori, 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 Mr. 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 (the "**Tender 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 (“**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 Mr. 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) (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 “**Shares Etc. Agreed to be Tendered**”). For more information on the Tender Agreements, please refer to ”(i) Tender Agreements” in ”(3) Material Agreements Concerning the Tender Offer” below.

The Offeror also agreed with Ms. 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 Ms. 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 all of 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 Price**”) will be set as an amount calculated by deducting (i) loans from Meiwa Shareholder and any other 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 1,500 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 the purpose of the Transaction can be achieved by acquisition of the Meiwa Shares, and that as of the Submission Date 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 Price above, that the Meiwa Shareholder will cause Meiwa not to tender all of the Meiwa Owned Target Shares it owns (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. For more information on the Share Transfer Agreement, please refer to "(ii) the Share Transfer Agreement " in "(3) Material Agreements Concerning the Tender Offer" below.

(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 “Notice regarding Appointment of Directors, Change of Representative Director, Structure Change and Personnel Reshuffle” 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 “Notice regarding Appointment of Directors, Change of Representative Director, Structure Change and Personnel Reshuffle” 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]

As described in "(2) Deposits or Borrowings, etc., that may be Appropriated to Funds Required for the Tender Offer" in "8. Funds Required for the Tender Offer" below, 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., Ooedo-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) (JPY1,670 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]

As described in "(2) Deposits or Borrowings, etc., that may be Appropriated to Funds Required for the Tender Offer" in "8. Funds Required for the Tender Offer" below, if the Tender Offer is completed, the Offeror expects to receive a capital contribution of JPY <u>28,100,000,000 (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)</u> from K.K. BCJ-43 and loans totaling up to JPY <u>102,500,000,000</u> 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 "**Amendment of Tender Offer Terms**"), 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, the Amended Target Press Release and "(iv) Approval of All Target Directors Not Having a Conflict of Interest; Opinion of No Objection from All Target Corporate Auditors" in "(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)" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased" below.

(2) Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy

(i) Background, etc. of the Tender Offer

(Before Amendment)

The Target group, which as of March 31, 2020 consists of the Target, 37 subsidiaries, and two affiliates (collectively, the "**Target Group**"), primarily engages in seven fields of business (namely, the medical-related division, the nursing division, the daycare division, the education division, the healthcare division, the therapy division, and the global division). The Target was founded by Former Chairman Terada in December 1968 with the commencement of the medical administrative services business. Subsequently, the former incarnation of the Target, Kabushiki Kaisha Hoiku Sogo Gakuin was founded in August 1973 (trade name later changed to Nichiigakkan Co., Ltd. in August 1975), and thereafter was listed on the Second Section of the Tokyo Stock Exchange in March 1999 and received designation for the First Section of the Tokyo Stock Exchange in September 2002.

Since its founding, guided by the management philosophy of "Contributing to the enhancement of human life through the development of our business," with the missions of "supporting rich continued growth of individuals through education," "supporting stable management of medical institutions through medical-related business," and "creating environments for seniors to live without worry through nursing," and based on the three business pillars of "human resources development" (note 6), "medical-related business," and "nursing," the Target has focused on social changes and needs and worked to create groundbreaking new value and services. Further, in recent years, in conjunction with the advance of childrearing support and globalization, the Target has made efforts to enrich people's lives, expanding its business into "daycare," and "foreign language education," among other fields and carrying out multifaceted businesses as an integrated living support company.

(Note 6) In the Target, "human resources development" means the development of personnel involved with medical-related and nursing services – more specifically, staff development through coursework including the medical administration course for the medical-related businesses and the introductory nursing care staff training for the nursing businesses. This is a business model unique to the Target, in which people are assembled and trained through Target's courses, and formally hired to provide services.

In April 2016, the Target Group formulated the "Nichii Vision" based on its management philosophy to clearly explain to stakeholders the "future form" envisioned for the Target Group, and in May 2018, published "VISION 2025" (for the period from the March 2019 term to the March 2025 term), a medium-term management plan serving as a roadmap for the "Nichii Vision". The plan aims to promote the formation of a strategic triangle for mutual coordination among the core businesses (medical-related business, nursing, daycare, human resources development), BS (Balance Supply) businesses (education (note 7), healthcare, therapy), and global business (business in China, Australia, Canada, and the Philippines), while leveraging the characteristics of each business, in order to sustainably improve corporate value through solutions to social issues.

(Note 7) Though BS (Balance Supply) Business of the Target Group consists of "language education," "healthcare," and "therapy," in this section, these three businesses are referred to as "education," "healthcare," and "therapy," respectively, according to the segmentation of the Target Group business activities. The Target Group education business provides language lessons mainly through one-on-one English conversation at Gaba.

[Omitted]

On the other hand, Mr. Mori and Mr. Tsuyoshi Terada anticipate a more challenging business environment from a macro perspective. In order to secure profits in the nursing business, it will be necessary to increase efficiency and expand market share by becoming area dominant (note 8) by splitting nursing service hubs, opening new locations, and taking other measures, but an increase in cost burdens through upfront investment is expected from the implementation of these measures. With respect to the large-scale repairs in conjunction with the aging of nursing facilities implemented under the five-year plan that started in the 2018 fiscal year, approximately JPY3.0 billion in repairs remain outstanding, and it is understood that these expenditures will continue for some time. Furthermore, in the downward trend in the number of customer hospitals in the medical-related business, and against a backdrop of labor shortages, it will be necessary to raise employee wage levels in order to recruit human resources, provide stable services, and introduce high added-value services, and consequently, the burden of personnel expenses is expected to increase. In the daycare business, although a certain level of growth is expected over the medium term as sites are actively developed, demand is expected to fall over the long-term in conjunction with the declining population and falling birthrate in Japan. In terms of supply, the human resource foundation is the source of business growth in the nursing, medical-related, and daycare businesses, and consequently, as the working population undergoes a full-scale decline, it will be central to build human resource supply structures that can respond to expanding markets and needs. It is further understood that under this environment, there is a need to implement business structure reforms that can minimize the impact of labor shortages and adapt to rapid market changes.

(Note 8) "Area dominant" means that business sites are intensively established in a specific area to achieve personnel flexibility among sites and to reduce management costs and have the effect of increasing trust and recognition in the region.

[Omitted]

While the Target has continued to expand in the nursing and medical-related industries to which the Target Group belongs, riding the tailwinds of an aging population, the Target is aware of risks stemming from such factors as the rapid decrease in the number of workers in the nursing industry, the rise in personnel costs, actions necessitated by revision of nursing fees, the tendency in the medical industry towards transformation through information and communications technology (ICT), and reduction in the number of potential hospitals. For this reason, for the growth of three pillars of business supporting the Target, namely "human resource development," "medical-related business," and "nursing," the Target believes that securing superior human resources, providing high added-value services, and pursuing business efficiencies through business structure reorganization are necessary and essential. In the past, as it is known that Former Chairman Terada had played a core role, such as determining the general direction of the management policy, the Target management had been implemented under his strong leadership. However, the Target recognizes that, in place of the past management style,, it is essential for every member of the Target's management to share the same future vision for business and to build collective management frameworks capable of promptly addressing issues that the Target faces in order to further advance the above-mentioned business structure reorganization.. The Offeror indicated in the course of the above consultations and negotiations that, as discussed in "(iii) Post-Tender Offer Managerial Policy" below, its policy was that after the Target Shares are taken private, a stable revenue base would be established by continuing to enhance growth investment in businesses thought to have medium- to long-term growth potential going forward by leveraging the management know-how, wealth of experience in enhancing the value of investment targets, M&A know-how, and management resources centered on human resources and financing that Bain Capital has cultivated heretofore. To this end, the Offeror believes that establishing industry-leading services and enhancing the Target's presence as a leader in the formation of alliances in the expected reorganization of the industry going forward, establishing dominance in each area, further enhancing operations, and implementing policies such as the proactive utilization of M&A will form an effective policy. Specifically, the Offeror has conveyed to the Target that it envisions taking measures including (i) splitting major nursing service hubs and opening new locations in the nursing business and proactively expanding the management foundation through M&A, (ii) developing ICT solutions (Note 9) surpassing competitors and introducing high added-value services in the medical-related business, (iii) accelerating the opening of new locations, minimizing performance variation among hubs by securing operational quality in the daycare business, and strengthening cross sales (Note 10) through coordination with the Target's other businesses, such as housekeeping agency services, and the Target determined that these kinds of policies and measures considered by Bain Capital are closely aligned with the aims of the Target, and by leveraging the advanced management knowhow that Bain Capital possesses, in particular its management resources for human resources and financing and coordination, will contribute to improvement in the medium- to long-term corporate value of the Target.

(Note 9) " ICT solutions" refers to the use of communications technology via the Internet to share information and knowledge between people and objects and among people in order to solve company issues. ICT is an abbreviation for Information and Commutations Technology and is also used in this sense.

(Note 10) " Cross selling" as used by the Target refers to providing combinations of the Target's services, such as daycare and housekeeping agency services, according to customer needs.

[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 Offeror as a special purpose acquisition company to implement the Transaction. The Target 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 Target 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 Tendering Shareholders. Later, on April 8, 2020, the Target 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 Target 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 Target regarding the conditions of the Transaction, which includes the Tender Offer, and the Target's post-Transaction managerial policy, a decision was made on May 8, 2020 to commence the Tender Offer via the 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.

(After Amendment)

The Target group, which as of March 31, 2020 consists of the Target, 37 subsidiaries, and two affiliates (collectively, the "**Target Group**"), primarily engages in seven fields of business (namely, the medical-related division, the nursing division, the daycare division, the education division, the healthcare division, the therapy division, and the global division). The Target was founded by Former Chairman Terada in December 1968 with the commencement of the medical administrative services business. Subsequently, the former incarnation of the Target, Kabushiki Kaisha Hoiku Sogo Gakuin was founded in August 1973 (trade name later changed to Nichiigakkan Co., Ltd. in August 1975), and thereafter was listed on the Second Section of the Tokyo Stock Exchange in March 1999 and received designation for the First Section of the Tokyo Stock Exchange in September 2002.

Since its founding, guided by the management philosophy of "Contributing to the enhancement of human life through the development of our business," with the missions of "supporting rich continued growth of individuals through education," "supporting stable management of medical institutions through medical-related business," and "creating environments for seniors to live without worry through nursing," and based on the three business pillars of "human resources development" (note <u>7</u>), "medical-related business," and "nursing," the Target has focused on social changes and needs and worked to create groundbreaking new value and services. Further, in recent years, in conjunction with the advance of childrearing support and globalization, the Target has made efforts to enrich people's lives, expanding its business into "daycare," and "foreign language education," among other fields and carrying out multifaceted businesses as an integrated living support company.

(Note 7) In the Target, “human resources development” means the development of personnel involved with medical-related and nursing services – more specifically, staff development through coursework including the medical administration course for the medical-related businesses and the introductory nursing care staff training for the nursing businesses. This is a business model unique to the Target, in which people are assembled and trained through Target’s courses, and formally hired to provide services.

In April 2016, the Target Group formulated the “Nichii Vision” based on its management philosophy to clearly explain to stakeholders the “future form” envisioned for the Target Group, and in May 2018, published “VISION 2025” (for the period from the March 2019 term to the March 2025 term), a medium-term management plan serving as a roadmap for the “Nichii Vision”. The plan aims to promote the formation of a strategic triangle for mutual coordination among the core businesses (medical-related business, nursing, daycare, human resources development), BS (Balance Supply) businesses (education (note 8), healthcare, therapy), and global business (business in China, Australia, Canada, and the Philippines), while leveraging the characteristics of each business, in order to sustainably improve corporate value through solutions to social issues.

(Note 8) Though BS (Balance Supply) Business of the Target Group consists of “language education,” “healthcare,” and “therapy,” in this section, these three businesses are referred to as “education,” “healthcare,” and “therapy,” respectively, according to the segmentation of the Target Group business activities. The Target Group education business provides language lessons mainly through one-on-one English conversation at Gaba.

[Omitted]

On the other hand, Mr. Mori and Mr. Tsuyoshi Terada anticipate a more challenging business environment from a macro perspective. In order to secure profits in the nursing business, it will be necessary to increase efficiency and expand market share by becoming area dominant (note 9) by splitting nursing service hubs, opening new locations, and taking other measures, but an increase in cost burdens through upfront investment is expected from the implementation of these measures. With respect to the large-scale repairs in conjunction with the aging of nursing facilities implemented under the five-year plan that started in the 2018 fiscal year, approximately JPY3.0 billion in repairs remain outstanding, and it is understood that these expenditures will continue for some time. Furthermore, in the downward trend in the number of customer hospitals in the medical-related business, and against a backdrop of labor shortages, it will be necessary to raise employee wage levels in order to recruit human resources, provide stable services, and introduce high added-value services, and consequently, the burden of personnel expenses is expected to increase. In the daycare business, although a certain level of growth is expected over the medium term as sites are actively developed, demand is expected to fall over the long-term in conjunction with the declining population and falling birthrate in Japan. In terms of supply, the human resource foundation is the source of business growth in the nursing, medical-related, and daycare businesses, and consequently, as the working population undergoes a full-scale decline, it will be central to build human resource supply structures that can respond to expanding markets and needs. It is further understood that under this environment, there is a need to implement business structure reforms that can minimize the impact of labor shortages and adapt to rapid market changes.

(Note 9) “Area dominant” means that business sites are intensively established in a specific area to achieve personnel flexibility among sites and to reduce management costs and have the effect of increasing trust and recognition in the region.

[Omitted]

While the Target has continued to expand in the nursing and medical-related industries to which the Target Group belongs, riding the tailwinds of an aging population, the Target is aware of risks stemming from such factors as the rapid decrease in the number of workers in the nursing industry, the rise in personnel costs, actions necessitated by revision of nursing fees, the tendency in the medical industry towards transformation through information and communications technology (ICT), and reduction in the number of potential hospitals. For this reason, for the growth of three pillars of business supporting the Target, namely “human resource development,” “medical-related business,” and “nursing,” the Target believes that securing superior human resources, providing high added-value services, and pursuing business efficiencies through business structure reorganization are necessary and essential. In the past, as it is known that Former Chairman Terada had played a core role, such as determining the general direction of the management policy, the Target management had been implemented under his strong leadership. However, the Target recognizes that, in place of the past management style,, it is essential for every member of the Target's management to share the same future vision for business and to build collective management frameworks capable of promptly addressing issues that the Target faces in order to further advance the above-mentioned business structure reorganization.. The Offeror indicated in the course of the above consultations and negotiations that, as discussed in "(iii) Post-Tender Offer Managerial Policy" below, its policy was that after the Target Shares are taken private, a stable revenue base would be established by continuing to enhance growth investment in businesses thought to have medium- to long-term growth potential going forward by leveraging the management know-how, wealth of experience in enhancing the value of investment targets, M&A know-how, and management resources centered on human resources and financing that Bain Capital has cultivated heretofore. To this end, the Offeror believes that establishing industry-leading services and enhancing the Target's presence as a leader in the formation of alliances in the expected reorganization of the industry going forward, establishing dominance in each area, further enhancing operations, and implementing policies such as the proactive utilization of M&A will form an effective policy. Specifically, the Offeror has conveyed to the Target that it envisions taking measures including (i) splitting major nursing service hubs and opening new locations in the nursing business and proactively expanding the management foundation through M&A, (ii) developing ICT solutions (Note 10) surpassing competitors and introducing high added-value services in the medical-related business, (iii) accelerating the opening of new locations, minimizing performance variation among hubs by securing operational quality in the daycare business, and strengthening cross sales (Note 11) through coordination with the Target's other businesses, such as housekeeping agency services, and the Target determined that these kinds of policies and measures considered by Bain Capital are closely aligned with the aims of the Target, and by leveraging the advanced management knowhow that Bain Capital possesses, in particular its management resources for human resources and financing and coordination, will contribute to improvement in the medium- to long-term corporate value of the Target.

(Note 10) " ICT solutions" refers to the use of communications technology via the Internet to share information and knowledge between people and objects and among people in order to solve company issues. ICT is an abbreviation for Information and Commutations Technology and is also used in this sense.

(Note 11) " Cross selling" as used by the Target refers to providing combinations of the Target's services, such as daycare and housekeeping agency services, according to customer needs.

[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 Offeror as a special purpose acquisition company to implement the Transaction. The Target 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 Target 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 Tendering Shareholders. Later, on April 8, 2020, the Target 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 Target 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 Target regarding the conditions of the Transaction, which includes the Tender Offer, and the Target's post-Transaction managerial policy, a decision was made on May 8, 2020 to commence the Tender Offer via the 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, and the Tender Offer commenced from May 11, 2020.

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 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.

(ii) Decision-Making Process behind the Target's Decision to Support the Tender Offer, and the Reasons Therefor

(Before Amendment)

[Omitted]

Further, in light of factors including that the Tender Offer Price (JPY 1,500) (i) in relation to the calculation results for the Share value by Deloitte Tohmatsu Financial Advisory set forth in "(i) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency by the Target" in "(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)" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased" 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 Target 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 Target Shares since the Target released its "Preliminary Financial Statements for March 2020 Term Third Quarter Term [Japanese Standards] (Consolidated)" (the "**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 Target on November 12, 2019 (the "**Target 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 Target Shares following the release of the Third Quarter Preliminary Financial Statements is believed to reflect the Target'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 "(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)" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased" below 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 Target and the Offeror engaged in discussions and negotiations on several occasions, namely, after the Target and the Offeror sincerely and continuously engaged in discussions and negotiations while referring to the calculation results for the share value of the Target 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 Target'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 Target's shareholders and Stock Acquisition Right Holders, and that the Tender Offer provides the Target'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 Target's shareholders and Stock Acquisition Right Holders tender their shares etc. in the Tender Offer. Three corporate auditors of the Target attended the meeting of the Board of Directors, and each of the corporate auditors in attendance stated that he or she had no objection to the <u>resolution</u>.

(After Amendment)

[Omitted]

Further, in light of factors including that the Tender Offer Price <u>before the change</u> (JPY 1,500) (i) in relation to the calculation results for the Share value by Deloitte Tohmatsu Financial Advisory set forth in "(i) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency by the Target" in "(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)" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased" 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 Target 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 Target Shares since the Target released its "Preliminary Financial Statements for March 2020 Term Third Quarter Term [Japanese Standards] (Consolidated)" (the "**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 Target on November 12, 2019 (the "**Target 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 Target Shares following the release of the Third Quarter Preliminary Financial Statements is believed to reflect the Target'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 "(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)" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased" below 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 Target and the Offeror engaged in discussions and negotiations on several occasions, namely, after the Target and the Offeror sincerely and continuously engaged in discussions and negotiations while referring to the calculation results for the share value of the Target 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 before the change were set at the amounts obtained by multiplying the difference between Tender Offer Price before the change 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 before the change, the Board of Directors determined regarding the Transaction that the Transaction including the Tender Offer can be expected to improve the Target's corporate value, that the Tender Offer Price before the change and the Stock Acquisition Right Purchase Prices before the change, as well as the other conditions for the Tender Offer are appropriate with respect to the Target's shareholders and Stock Acquisition Right Holders, and that the Tender Offer provides the Target'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 Target's shareholders and Stock Acquisition Right Holders tender their shares etc. in the Tender Offer.

According to the Amended Target Press Release, subsequently, in response to the 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 Offeror's decision to receive the Written Pledge from Effissimo and to have the Subscription Agreement executed, the outline of the Written Pledge 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 Target 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 Target on various measures for enhancing the Target's corporate value, including the Target's business structure reform, it has not presented any opposing or competing opinion against the Target's management policy so far; and, according to the explanation given to the Target by the Offeror, though Effissimo has no plans to dispatch any officer or staff members to the Target, it has expressed its intention to support various measures for enhancing the corporate value of the Target jointly, which are expected to be implemented by the 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 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 Target'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 "(i) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency by the Target" in "(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)" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased" 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 Target shareholders and Stock Acquisition Right Holders, and there is no change in the thinking that the Tender Offer provides reasonable opportunity for Target shareholders and Stock Acquisition Right Holders to sell their Shares and Stock Acquisition Rights, the Target passed a resolution to maintain its opinion in favor of the Tender Offer and maintain its recommendation for Target shareholders and Stock Acquisition Right Holders to tender their Shares and Stock Acquisition Rights in the Tender Offer as previously announced in the Target Press Release.

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

(iii) Post-Tender Offer Managerial Policy

(Before Amendment)

[Omitted]

After taking the Target Shares private through the Tender Offer, the Offeror plans to provide to the Target 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 Target's business.

The Transaction corresponds to a so called management buyout (MBO), and Mr. Mori intends to remain involved in the Target management even after successful completion of the Tender Offer and he is considering investing directly or indirectly in the Offeror to share the common objective for enhancing the corporate value. In addition, Mr. Daisuke Terada, the Target vice president and representative director decided to externally make clear his intention to continue supporting the Target as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Offeror. Moreover, the Target managing director Mr. Tsuyoshi Terada decided to externally make clear his intention to remain involved in the Target management and, with the common objective for enhancing the corporate value, to continue supporting the Target as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Offeror, although the specific amount and timing are undetermined at this time. The Offeror is considering appointing Target 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 Target directors. With the exception of Mr. Mori and Mr. Tsuyoshi Terada, the Offeror has not reach agreement concerning post-Tender Offer appointment with any of the Target's directors or corporate auditors. The Offeror plans to determine the particulars of the post-Tender Offer management structure including the composition of Target officers through discussions with the Target after successful completion 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 Target Group employees, at this time, the Offeror plans to maintain current employment conditions. The 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.

(After Amendment)

[Omitted]

After taking the Target Shares private through the Tender Offer, the Offeror plans to provide to the Target 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 Target's business. <u>Further, Effissimo holds the Target Shares over the medium to long term, and from before the announcement of the Tender Offer, there have been repeated discussions and negotiations with the Target since around five years ago 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, and the Offeror expects to maximize the effects of the support described above by utilizing Effissimo's in-depth knowledge of the Target's business, which has been cultivated through experience with the Target, and its knowledge pertaining to structural reform of the Target, and the Offeror is also aiming to realize those effects at an early stage.</u>

The Transaction corresponds to a so called management buyout (MBO), and Mr. Mori intends to remain involved in the Target management even after successful completion of the Tender Offer and he is considering investing directly or indirectly in the Offeror to share the common objective for enhancing the corporate value. In addition, Mr. Daisuke Terada, the <u>then</u> Target vice president and representative director <u>as of May 8, 2020,</u> decided to externally make clear his intention to continue supporting the Target as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Offeror. Moreover, <u>the Target vice president, and</u> the <u>then</u> Target managing director <u>as of May 8, 2020,</u> Mr. Tsuyoshi Terada decided to externally make clear his intention to remain involved in the Target management and, with the common objective for enhancing the corporate value, to continue supporting the Target as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Offeror, although the specific amount and timing are undetermined at this time. The Offeror is considering appointing Target 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 Target directors. With the exception of Mr. Mori and Mr. Tsuyoshi Terada, the Offeror has not reach agreement concerning post-Tender Offer appointment with any of the Target's directors or corporate auditors. The Offeror plans to determine the particulars of the post-Tender Offer management structure including the composition of Target officers through discussions with the Target after successful completion 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 Target Group employees, at this time, the Offeror plans to maintain current employment conditions. The 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.

<u>Further, Effissimo also supports the above management structure and employment and remuneration policy, and the Offeror has obtained confirmation in the process of discussions with Effissimo that those management structure and employment and remuneration policy will not change as a result of the fact that Effissimo will participate in the Transaction by continuing to invest in the Target even after the Transaction. Further, as of the submission date of this Amendment, Effissimo intends to continue the investment in the Target over the medium to long term through K.K. BCJ-43.</u>

(3) Material Agreements Concerning the Tender Offer

(Before Amendment)

[Omitted]

(ii) Share Transfer Agreement

[Omitted]

d. Transfer Price etc. for the Meiwa Shares Pursuant to the Share Transfer Agreement

The Meiwa Share Transfer Price to be paid to the 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 Target Shares (16,303,849 shares times the Tender Offer Price (JPY1,500 per Share) (equal to JPY24,455,773,500) minus (ii) loans from Meiwa Shareholder and any other debts 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 Target Shares that it owns in the Tender Offer.

[Omitted]

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

(After Amendment)

[Omitted]

(ii) Share Transfer Agreement

[Omitted]

d. Transfer Price etc. for the Meiwa Shares Pursuant to the Share Transfer Agreement

The Meiwa Share Transfer Price to be paid to the 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 Target Shares (16,303,849 shares times the Tender Offer Price (JPY1,670 per Share) (equal to JPY27,227,427,830) minus (ii) loans from Meiwa Shareholder and any other debts 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 Target Shares that it owns in the Tender Offer.

[Omitted]

Further, Mr. Mori plans to remain involved in the Target management following successful completion of the Tender Offer and is considering investing directly or indirectly in the Offeror to share the common objective for enhancing the corporate value. Also, the then Target vice president and representative director as of May 8, 2020 Mr. Daisuke Terada decided to externally make clear his intention to continue supporting the Target as a relative of Former Chairman Terada and is considering investing directly or indirectly in the Offeror. Moreover, the Target vice president, and the then Target managing director as of May 8, 2020, Mr. Tsuyoshi Terada decided to make externally clear his intention to remain involved in the Target management and, with the common objective for enhancing the corporate value, to continue supporting the Target as a relative of Former Chairman Terada, and is considering investing directly or indirectly in the Offeror. Mr. Keisuke

Terada who is another relative of Former Chairman Terada also decided to make externally clear his intention to continue supporting the Target as a relative of Former Chairman Terada and is considering investing directly or indirectly in the Offeror. Bain Capital is expected to execute an agreement for entrustment of the management of the Target with Mr. Mori and Mr. Tsuyoshi Terada; however, the details are undetermined at this time.

(iii) Written Pledge

On July 31, 2020, the Offeror received the Written Pledge from Effissimo, and Effissimo agrees in the Written Pledge that Effissimo will tender or cause to tender in the Tender Offer 8,321,700 shares of the Target Shares owned by Effissimo or through ECM Master Fund (shareholder ratio: 12.64%). There is no condition precedent to Effissimo's tender provided in the Written Pledge.

Effissimo also agrees in the Written Pledge that, no later than the business day immediately following the last day of the purchase period pertaining to the Tender Offer, and subject to successful completion of the Tender Offer, it will make a capital contribution of a total of JPY JPY1,550,000,000 to K.K. BCJ-43 by subscribing for non-voting right shares of K.K. BCJ-43 and it will provide funds to be allocated to purchase funds and ancillary expenses in the Tender Offer to be paid by the Offeror.

For details of the Subscription Agreement, see "(iv) Subscription Agreement" below.

(iv) Subscription Agreement

a. Outline of the Subscription Agreement

BCJ-43 and Effissimo executed the Subscription Agreement dated July 31, 2020, and agreed that, subject to the successful completion of the Tender Offer and the satisfaction of other specific requirements, Effissimo will cause ECM Master Fund to subscribe for 31,000 nonvoting shares (specifically, A-class shares without voting rights, which does not grant dividend preference, etc.) 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 above, see b. below.

b. Conditions Precedent for Subscription

Effissimo agreed to perform its obligations pertaining to the payment by ECM Master Fund to subscribe for the nonvoting shares under the Subscription Agreement, subject to the following conditions precedent: (i) the successful completion of the Tender Offer, as well as (ii) the representations and warranties made by BCJ-43 in the Subscription Agreement (Note 1) are true and accurate in material respects, (iii) BCJ-43 have performed and complied with its obligations under the Subscription Agreement (Note 2) in material respects, (iv) the 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 the 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 1) 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 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 does 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 does not violate laws, its Articles of Incorporation, other internal rules, or any contact 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 the 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 2) BCJ-43 assumes, under the Subscription Agreement, (i) the obligation to issue the nonvoting shares, (ii) the liability to indemnify for damage or loss incurred by Effissimo arising out of or in connection with BCJ-43's breach of its obligations under the Subscription Agreement or its representations and warranties as described in (Note 1) above, and (iii) the confidentiality obligation and other obligations under general terms and conditions of the Subscription Agreement.

c. Other matters agreed

Neither of Effissimo or 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 to cause ECM Master Fund to execute a shareholder agreement with Bain Capital before the subscription for the nonvoting shares. In the Subscription Agreement, it is agreed to include the provision in the shareholder agreement that BCJ-43 will report material information regarding the business performance, etc. of the Company Group; however, other terms and conditions have not been determined as of the submission date of the Amendment to the Tender Offer Registration Statement, and Bain Capital and Effissimo will further discuss this matter. As of the submission date of the Amendment to the Tender Offer Registration Statement, Effissimo has not requested the Offeror, BCJ-43, or Bain Capital for grant of any put option on the shares in BCJ-43, and such put option is not expected to be provided for in the shareholder agreement to be separately executed.

(5) 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 the Submission Date, 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 the Submission Date, <u>early-September</u>, 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]

4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased

(1) Purchase Period

(i) Initial Tender Offer Period as of the date of this Statement

(Before Amendment)

Period of Purchase, etc.	From Monday, May 11, 2020 to <u>Monday, August 3</u>, 2020 (<u>59</u> Business day)
Date of public notice	Monday, May 11, 2020
Newspaper for Public Notice	Electronic public notices will be given, and that fact will be published in the Nihon Keizai Shimbun. Electronic notice address (https://disclosure.edinet-fsa.go.jp/)

(After Amendment)

Period of Purchase, etc.	From Monday, May 11, 2020 to <u>Monday, August 17</u>, 2020 (<u>68</u> Business day)
Date of public notice	Monday, May 11, 2020
Newspaper for Public Notice	Electronic public notices will be given, and that fact will be published in the Nihon Keizai Shimbun. Electronic notice address (https://disclosure.edinet-fsa.go.jp/)

(2) Purchase Price

(Before Amendment)

Share Certificates	JPY<u>1,500</u> per share
Certificates of Stock Acquisition Rights	JPY<u>392</u> per the Series 1 Stock Acquisition Right JPY<u>1,499</u> per the Series 2 Stock Acquisition Right JPY<u>1,499</u> per the Series 3 Stock Acquisition Right JPY<u>1,499</u> per the Series 4 Stock Acquisition Right JPY<u>1,499</u> per the Series 5 Stock Acquisition Right JPY<u>1,499</u> per the Series 6 Stock Acquisition Right
Certificates of Bonds with Share Option	—
Share Certificates, etc. Trust Beneficiary Certificates ( )	—

Share Certificates, etc. Depositary Receipt ( )	—
Basis of Calculation	(1) Common Shares 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 (JPY 1,094) and changes in the simple average closing prices of the Target Shares (JPY 1,080, JPY 1,123 and JPY 1,377) 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 JPY 1,500 includes a premium of (i) 37.11% 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) 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 1,377 as the simple average closing price for the most recent six months (December 9, 2019 to May 7, 2020). The Tender Offer Price of JPY 1,500 includes a premium of 29.87% on JPY1,155 as the closing price of the Target Shares on May 8, 2020, which is the business day immediately preceding the day of the Submission Date. (2) Stock Acquisition Rights With respect to the Stock Acquisition Rights, as of the Submission Date, the exercise price per share of the Target Shares (Series 1 Stock Acquisition Rights: JPY1,108, Series 2 Stock Acquisition Rights: JPY1, Series 3 Stock Acquisition Rights: JPY1 , Series 4 Stock Acquisition Rights: JPY1, Series 5 Stock Acquisition Rights: JPY1, Series 6 Stock Acquisition Rights: JPY1) is less than the Tender Offer Price (JPY 1,500). Hence, the Offeror has set the Stock Acquisition Right Purchase Price at an amount obtained by multiplying the difference between JPY1,500, 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 JPY392, which is an amount obtained by multiplying JPY392, which is the difference between the Tender Offer Price and JPY1,108, 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 JPY1,499, which is an amount obtained by multiplying JPY1,499, which is the difference between the Tender Offer Price and JPY1, 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. In addition, all of the Stock Acquisition Rights were issued to officers and employees etc. of the Target and officers of Target subsidiaries in the form

	of stock options; the Terms and Conditions of the Stock Acquisition Rights 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 Target has resolved, in the Board of Directors meeting held on May 8, 2020, that subject to the successful completion of the Tender Offer, blanket approval will be given for all Stock Acquisition Right Holders to assign their Stock Acquisition Rights to the 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. 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.
Process of Calculation	(Background to the Determination of Tender Offer Price and the Stock Acquisition Rights Purchase Prices) [Omitted] 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 (JPY 1,094) and changes in the simple average closing prices of the Target Shares (JPY 1,080, JPY 1,123 and JPY 1,377) 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 (December 9, 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. (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) In light of factors such as the Tender Offer 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 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 Offeror and the Target have carried out the following measures to ensure the fairness of the Transaction including the Tender Offer. Matters set forth below that concern measures carried out by the Target are based on the Target Press Release and explanations given by the Target. [Omitted] (i) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency by the Target According to the Target Press Release, to ensure the fairness of the decision-making process regarding the Tender Offer Price presented by the Offeror, the Target requested Deloitte Tohmatsu Financial Advisory, as a

	third-party valuation agency that is independent from the Offeror, Meiwa and Tendering Shareholders (collectively, “Offeror-Related Persons”), to calculate the share value of the Target Shares, and procured the Share Valuation Report on May 7, 2020. [Omitted] The Tender Offer also covers the 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 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 JPY1,499 (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 Target 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. [Omitted] (iii) Establishment of a Special Committee at the Target and Procuring a Written Report by the Target [Omitted] Further, since the Target’s receipt of a proposal from the 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 Target and the Offeror relating to the Transaction, and discussed matters such as policies for dealing with the same. Then on April 14, 2020, the 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 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 Offeror increase the Tender Offer Price and was otherwise involved in the negotiations process with the Offeror; as a result, on April 30, 2020, the Target received from the 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 Target obtained from Deloitte Tohmatsu Financial Advisory, a third-party valuation agency independent of 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 JPY1,255 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 Target 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 Target'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 Target 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 Target 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 Target Earnings Projection Adjustment announced by the Target 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 Target'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 Target Earnings Projection Adjustment was announced because the results of a tally of the Target'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 Target Earnings Projection Adjustment, no proposal or examination of the Transaction whatsoever was being carried out; therefore, given the foregoing, there appears to be no circumstances in particular that lead one to believe that the Target improperly lowered the market share price through the Target 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 Offeror will indirectly acquire the Meiwa-Owned Target 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 Target excluding the Meiwa-Owned Target 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 Target 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 Target 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 Target 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 Target 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 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 structure of the Transaction, and the type and the amount of consideration to be paid to the Target'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 Target, 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 Offeror-Related Persons, and from the perspective of enhancing the Target'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 Target's third-party valuation agency and the legal advisor; (II) the Target, pursuant to the negotiation policy approved by the Special Committee in advance, conducted substantial discussions and negotiations with the 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 Target 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 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 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 Target 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 Target 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 Offeror (“Counterbidders”) to make counteroffers etc. are not improperly restricted, the Offeror and the Target have not executed any agreement including a deal protection provision prohibiting contact by the Target with Counterbidders or any other agreement restricting contact by a counterbidder with the Target; 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 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 Target’s corporate value and devising a business strategy as an outside director of the Target since June 2015, and thus has a strong understanding of the Target’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 Offeror has agreed with the Meiwa Shareholder that all Meiwa Shares will be transferred to the Offeror in the Tender Offer and has agreed with Tendering Shareholders that Shares Etc. Agreed to be Tendered will be tendered in the Tender Offer; that means the total of Meiwa Owned Target Shares (16,303,849 shares, ownership ratio of 24.76%) and Shares Etc. Agreed to be Tendered (Target 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 Target Shares and 212,000 Stock Acquisition Rights (number of subject shares: 212,000 shares), and the combined ownership ratio is 44.04%; accordingly, the Offeror believed that deducting these Meiwa Owned Target Shares and Shares Etc. Agreed to be Tendered 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 successful completion of the Tender Offer and may, rather, cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender Target Shares therein; in view of this, the 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 Target Shares from two-thirds of the number of voting rights 658,348 units) pertaining to the Target’s Total Number of Target Shares After Accounting for Potential Target 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 Target shareholders and the Stock Acquisition Right Holders (ownership ratio: 55.85%) other than Meiwa and Tendering Shareholders and the Stock Acquisition Right Holders, and it can be said that approval of a certain number of Target shareholders and the Stock Acquisition Right Holders other than Tendering Shareholders is a precondition, and further, it is believed that the interests of the Target’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 Target Shares in the Tender Offer and sell the Target 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 Target's minority shareholders. [Omitted] 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 Target shareholders and Stock Acquisition Right Holders tender their Target 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. (iv) Approval of All Target Directors Not Having a Conflict of Interest; Opinion of No Objection from All Target Corporate Auditors [Omitted] Consequently, as explained in "(ii) Decision-Making Process behind the Target's Decision to Support the Tender Offer, and the Reasons Therefor" in in "(2) Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy" in "3. Purpose of the Purchase" above, the Board of Directors decided, regarding the Transaction, that the Transaction, which includes the Tender Offer, can be expected to improve the Target's corporate value and the Tender Offer Price and other conditions of the Tender Offer are appropriate from the perspective of the Target's shareholders and Stock Acquisition Right Holders, and that the Tender Offer will provide the Target'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 Target'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 Target's shareholders and Stock Acquisition Right Holders tender their shares etc. in the Tender Offer. Three of the Target's corporate auditors attended <u>this Board of Directors meeting</u>, and all of these attending corporate auditors stated their opinion of no objection to <u>this resolution</u>. Note that since Mr. Mori intends to continue managing the Target after the successful completion of the Tender Offer and he is considering investing directly or indirectly in the Offeror to share the common objective for enhancing the corporate value, since Mr. Daisuke Terada, who <u>is the</u> Target vice president and representative director, decided to make externally clear his intension to continue supporting the Target as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Offeror, since Mr. Tsuyoshi Terada, who <u>is the</u> Target managing director, decided to externally clear his intention to remain involved in management of the Target and with the common objective for enhancing the corporate value, to continue supporting the Target as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Offeror, and since Mr. Sugimoto, who is an outside director of the Target, 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 Offeror's outstanding shares, these individuals have a conflict of interest with the Target 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 Target's position in discussions and negotiations with the Offeror.

	(v) Securing Objective Conditions for Ensuring the Fairness of the Tender Offer The Offeror has not executed with the Target any agreement including a deal protection provision prohibiting contact by the Target with Counterbidders regarding the Target Shares or any other agreement restricting contact by a counterbidder with the Target. Further, the Offeror has set as the ender 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, the Offeror intends to ensure an appropriate Tender Offer Price by securing for the Target'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 Offeror to make counteroffer etc. for the Target Shares. Note that as explained in "(iii) Establishment of a Special Committee at the Target and Procuring a Written Report by the Target" above, regarding a proactive market check to survey and investigate whether there is any other potential acquirer in the market (including any bidding procedures etc. prior to the public announcement of the Transaction), the Special Committee determined in view of the assorted measures that were carried out to ensure the fairness of the Transaction, which includes the Tender Offer, and other specific conditions of the Transaction that not carrying out such a market check will not particularly hinder the fairness of the Transaction. Note that the Offeror has agreed in the Share Transfer Agreement with the Meiwa Shareholder that all Meiwa Shares will be transferred to the Offeror and has agreed in the Tender Agreement with each Tendering Shareholder that Tender-Agreed Target Shares etc. will be tendered in the Tender Offer; the total of Meiwa Owned Target Shares (16,303,849 shares, ownership ratio of 24.76 %) and Tender-Agreed Target Shares etc. (Target 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 Target 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 Target Shares and Tender-Agreed Target 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 successful completion of the Tender Offer. The 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, the 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 Target Shares from two-thirds of the number of voting rights (658,348 units) pertaining to the Target's Total Number of Target Shares After Accounting for Potential Target 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 Target's perspective, this lower limit requires approval on a scale corresponding to approximately 40.51% of Target shareholders and the Stock Acquisition Right Holders (ownership ratio: 55.85%) other than Tendering Shareholders, and it can be said that approval of a certain number of Target shareholders and the Stock Acquisition Right Holders other than Tendering Shareholders is a precondition. Further, Offeror believes that in the Tender Offer, the interests of the Target's shareholders are sufficiently taken into consideration through the measures set forth in (i) to (v) above serving to ensure the fairness thereof.

(After Amendment)

Share Certificates	JPY1,670 per share
Certificates of Stock Acquisition Rights	JPY562 per the Series 1 Stock Acquisition Right JPY1,669 per the Series 2 Stock Acquisition Right JPY1,669 per the Series 3 Stock Acquisition Right JPY1,669 per the Series 4 Stock Acquisition Right JPY1,669 per the Series 5 Stock Acquisition Right JPY1,669 per the Series 6 Stock Acquisition Right
Certificates of Bonds with Share Option	—
Share Certificates, etc. Trust Beneficiary Certificates ( )	—
Share Certificates, etc. Depositary Receipt ( )	—
Basis of Calculation	(1) Common Shares 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 (JPY 1,094) and changes in the simple average closing prices of the Target Shares (JPY 1,080, JPY 1,123 and JPY 1,377) 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 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 JPY 1,500 includes a premium of (i) 37.11% 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) 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 1,377 as the simple average closing price for the most recent six months (December 9, 2019 to May 7, 2020). The Tender Offer Price of JPY 1,500 includes a premium of 29.87% on JPY1,155 as the closing price of the Target Shares on May 8, 2020, which is the business day immediately preceding the day of the Submission Date.

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

With respect to the Stock Acquisition Rights, as of the Submission Date, the exercise price per share of the Target Shares (Series 1 Stock Acquisition Rights: JPY1,108, Series 2 Stock Acquisition Rights: JPY1, Series 3 Stock Acquisition Rights: JPY1 , Series 4 Stock Acquisition Rights: JPY1, Series 5 Stock Acquisition Rights: JPY1, Series 6 Stock Acquisition Rights: JPY1) is less than the Tender Offer Price before the change (JPY 1,500). Hence, the Offeror has set the Stock Acquisition Right Purchase Price at an amount obtained by multiplying the difference between JPY1,500, 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 JPY392, which is an amount obtained by multiplying JPY392, which is the difference between the Tender Offer Price and JPY1,108, 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 JPY1,499, which is an amount obtained by multiplying JPY1,499, which is the difference between the Tender Offer Price and JPY1, 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. In addition, all of the Stock Acquisition Rights were issued to officers and employees etc. of the Target and officers of Target subsidiaries in the form of stock options; the Terms and Conditions of the Stock Acquisition Rights 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 Target has resolved, in the Board of Directors meeting held on May 8, 2020, that subject to the successful completion of the Tender Offer, blanket approval will be given for all Stock Acquisition Right Holders to assign their Stock Acquisition Rights to the 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. 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.
Process of Calculation	(Background to the Determination of Tender Offer Price and the Stock Acquisition Rights Purchase Prices) [Omitted] 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 (JPY 1,094) and changes in the simple average closing prices of the Target Shares (JPY 1,080, JPY 1,123 and JPY 1,377) 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 (December 9, 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, 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, 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. 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. (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) In light of factors such as the Tender Offer 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 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 Offeror and the Target have carried out the following measures to ensure the fairness of the Transaction including the Tender Offer. Matters set forth below that concern measures carried out by the Target are based on the Target Press Release, the Amended Target Press Release and explanations given by the Target. [Omitted] (i) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency by the Target According to the Target Press Release to ensure the fairness of the decision-making process regarding the Tender Offer Price before the change presented by the Offeror, the Target requested Deloitte Tohmatsu Financial Advisory, as a third-party valuation agency that is independent from the Offeror, Meiwa and Tendering Shareholders (collectively, "Offeror-Related Persons"), to calculate the share value of the Target Shares, and procured the Share Valuation Report on May 7, 2020. [Omitted] The Tender Offer also covers Stock Acquisition Rights, and the Stock Acquisition Right Purchase Prices before the change have been set to the amounts obtained by multiplying the difference between the JPY1,500 Tender Offer Price before the change 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 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 JPY1,499 (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 before the change, the Target 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 before the change. 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 Target'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 Target did not obtain a new share valuation report relating to the share value of the Shares. [Omitted] (iii) Establishment of a Special Committee at the Target and Procuring a Written Report by the Target [Omitted] Further, since the Target's receipt of a proposal from the 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 Target and the Offeror relating to the Transaction, and discussed matters such as policies for dealing with the same. Then on April 14, 2020, the 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 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 Offeror increase the Tender Offer Price and was otherwise involved in the negotiations process with the Offeror; as a result, on April 30, 2020, the Target received from the Offeror a proposal for a Tender Offer Price before the change of JPY1,500 per Share and Stock Acquisition Right Purchase Prices before the change 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 Target obtained from Deloitte Tohmatsu Financial Advisory, a third-party valuation agency independent of 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 JPY1,255 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 before the change 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 Target 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 Target'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 before the change represents a premium of 37.11% over the closing price (JPY1,094) of the Target 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 Target 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 Target Earnings Projection Adjustment announced by the Target 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 Target'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 Target Earnings Projection Adjustment was announced because the results of a tally of the Target'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 Target Earnings Projection Adjustment, no proposal or examination of the Transaction whatsoever was being carried out; therefore, given the foregoing, there appears to be no circumstances in particular that lead one to believe that the Target improperly lowered the market share price through the Target 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 before the change and the Stock Acquisition Right Purchase Prices before the change 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 Offeror will indirectly acquire the Meiwa-Owned Target 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 Target excluding the Meiwa-Owned Target 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 Target 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 Target 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 before the change by the number of Target 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 before the change are set as the amounts obtained by multiplying the difference between the Tender Offer Price before the change (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 Target Shares subject to each Stock Acquisition Right, thus are calculated on the basis of the Tender Offer Price before the change; and

(VI) consideration for the Transaction will be money, and in light of the 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 structure of the Transaction, and the type and the amount of consideration to be paid to the Target'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 Target, 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 Offeror-Related Persons, and from the perspective of enhancing the Target's corporate value and of the shared interests of shareholders, carefully examined and discussed the appropriateness of the Tender Offer Price before the change 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 Target's third-party valuation agency and the legal advisor; (II) the Target, pursuant to the negotiation policy approved by the Special Committee in advance, conducted substantial discussions and negotiations with the Offeror to ensure the fairness of the Tender Offer Price before the change and the Stock Acquisition Right Purchase Prices before the change from the perspective of protecting the interests of minority shareholders, and specifically, the Target 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 Offeror, and as a result of such negotiations, before reaching the decision to set the Tender Offer Price before the change at JPY1,500 per Share, elicited a price increase of JPY200 in total of three (3) times from the 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 before the change as well; (III) the directors who examined and negotiated the Transaction as the representatives of the Target 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 Target 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 Offeror ("Counterbidders") to make counteroffers etc. are not improperly restricted, the Offeror and the Target have not executed any agreement including a deal protection provision prohibiting contact by the Target with Counterbidders or any other agreement restricting contact by a counterbidder with the Target; 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 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 Target's corporate value and devising a business strategy as an outside director of the Target since June 2015, and thus has a strong understanding of the Target'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 Offeror has agreed with the Meiwa Shareholder that all Meiwa Shares will be transferred to the Offeror in the Tender Offer and has agreed with Tendering Shareholders that Shares Etc. Agreed to be Tendered will be tendered in the Tender Offer; that means the total of Meiwa Owned Target Shares (16,303,849 shares, ownership ratio of 24.76%) and Shares Etc. Agreed to be Tendered (Target 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 Target Shares and

	212,000 Stock Acquisition Rights (number of subject shares: 212,000 shares), and the combined ownership ratio is 44.04%; accordingly, the Offeror believed that deducting these Meiwa Owned Target Shares and Shares Etc. Agreed to be Tendered 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 successful completion of the Tender Offer and may, rather, cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender Target Shares therein; in view of this, the 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 Target Shares from two-thirds of the number of voting rights 658,348 units) pertaining to the Target’s Total Number of Target Shares After Accounting for Potential Target 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 Target shareholders and the Stock Acquisition Right Holders (ownership ratio: 55.85%) other than Meiwa and Tendering Shareholders and the Stock Acquisition Right Holders, and it can be said that approval of a certain number of Target shareholders and the Stock Acquisition Right Holders other than Tendering Shareholders is a precondition, and further, it is believed that the interests of the Target’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 Target Shares in the Tender Offer and sell the Target 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 Target’s minority shareholders. [Omitted] 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 Target shareholders and Stock Acquisition Right Holders tender their Target 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 Offeror would make a proposal to change the conditions of the Tender Offer, Target conveyed to the Special Committee that if the 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 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 Offeror, including the criteria of judgement for a raise in the Tender Offer Price. Further, in late July 2020, in response to the Offeror's proposal to Target for the Amendment of Tender Offer Terms, including tendering of the Shares held by Effissimo in the Tender Offer, Target 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 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 Offeror and Effissimo, as well as the existence or non-existence of Effissimo's intention to involve into the business operation of Target, 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 Target). 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 the interviews with the 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 Offeror and Effissimo, and a series of these processes and transactions. Also, it received an explanation from Target 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 Target on various measures for enhancing Target's corporate value, including Target's business structure reform; however it has not presented any opposing or competing opinion against Target's management policy so far; (II) Though Effissimo has no plans to dispatch any officer or staff members to Target, it has expressed its intention to support various measures jointly, which are expected to be implemented by the Offeror following the Tender Offer; and (III) Through the investment in Target, 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 Offeror, it is believed there is no factor that may obstruct the business structure reform to be undertaken by Bain Capital and the 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 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 Target'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 Target, the current financial condition of Target 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 Target. 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 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 Terns. In response, JPY 1,670, the Tender Offer Price after the Amendment of Tender Offer Terms proposed by the 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 Terns, 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 Target, 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 Target 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 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 Offeror in late July 2020, Target and the Special Committee conducted two interviews with the 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 Offeror and Effissimo, as well as the existence or non-existence of Effissimo's intention to involve in the business operation of Target, its policy, and its impact on various measures for the business structure reform of Target after the implementation of the Transaction. Further, Target 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, Target faithfully responds, to the extent possible, to inquiries from several shareholders or investment firms with foreign capital; and. (III) The 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 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 Target'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 Target 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 Offeror does not need to obtain approval from a high percentage of Target 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 approval of Target 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. This fact can be evaluated as Target has gained approval from a part of the minority shareholders as of the commencement of the Tender Offer. 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 Target'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 Target'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 Target minority shareholders.

(iv) Approval of All Target Directors Not Having a Conflict of Interest; Opinion of No Objection from All Target Corporate Auditors

[Omitted]

Consequently, as explained in "(ii) Decision-Making Process behind the Target's Decision to Support the Tender Offer, and the Reasons Therefor" in in "(2) Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy" in "3. Purpose of the Purchase" above, the Board of Directors decided, regarding the Transaction, that the Transaction, which includes the Tender Offer, can be expected to improve the Target's corporate value and the Tender Offer Price before the Amendment of Tender Offer Terms and the Stock Acquisition Right Purchase Prices before the Amendment of Tender Offer Terms and other conditions of the Tender Offer are appropriate from the perspective of the Target's shareholders and Stock Acquisition Right Holders, and that the Tender Offer will provide the Target'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 Target'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 Target's shareholders and Stock Acquisition Right Holders tender their shares etc. in the Tender Offer. Further, in response to the 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 Offeror's decision to receive the Written Pledge from Effissimo and to have the Subscription Agreement executed, the outline of the Written Pledge 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 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 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 Offeror. Further, 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 Target shareholders and Stock Acquisition Right Holders, and there is no change in the thinking that the Tender Offer provides reasonable opportunity for Target shareholders and Stock Acquisition Right Holders to sell their Shares and Stock Acquisition Rights, the Target passed a resolution to maintain its opinion in favor of the Tender Offer as previously announced in the Target Press Release and maintain its recommendation for Target shareholders and Stock Acquisition Right Holders to tender their Shares and Stock Acquisition Rights in the Tender Offer. Three of the Target's corporate auditors attended these Board of Directors meetings, and all of these attending corporate auditors stated their opinion of no objection to these resolutions. Note that since Mr. Mori intends to continue managing the Target after the successful completion of the Tender Offer and he is considering investing directly or indirectly in the Offeror to share the common objective for enhancing the corporate value, since Mr. Daisuke Terada, who was the then Target vice president and representative director as of May 8, 2020, decided to make externally clear his intension to continue supporting the Target as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Offeror, since Mr. Tsuyoshi Terada, who is the Target vice president and representative director and was then Target managing director as of May 8, 2020, decided to externally clear his intention to remain involved in management of the Target and with the common objective for enhancing the corporate value, to continue supporting the Target as a relative of Former Chairman Terada, and is considering directly or indirectly investing in the Offeror, and since Mr. Sugimoto, who is an outside director of the Target, 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 Offeror's outstanding shares, these individuals have a conflict of interest with the Target 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 Target's position in discussions and negotiations with the Offeror (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 31, 2020). (v) Securing Objective Conditions for Ensuring the Fairness of the Tender Offer The Offeror has not executed with the Target any agreement including a deal protection provision prohibiting contact by the Target with Counterbidders regarding the Target Shares or any other agreement restricting contact by a counterbidder with the Target. Further, the Offeror has set as the ender 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, the Offeror intends to ensure an appropriate Tender Offer Price by securing for the Target'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 Offeror to make counteroffer etc. for the Target Shares. Note that as explained in "(iii) Establishment of a Special Committee at the Target and Procuring a Written Report by the Target" above, regarding a proactive market check to survey and investigate whether there is any other potential acquirer in the market (including any bidding procedures etc. prior to the public announcement of the Transaction), the Special Committee determined in view of the assorted measures that were carried out to ensure the fairness of the Transaction, which includes the Tender Offer, and other specific conditions of the Transaction that not carrying out such a market check will not particularly hinder the fairness of the Transaction. Note that the Offeror has agreed in the Share Transfer Agreement with the Meiwa Shareholder that all Meiwa Shares will be transferred to the Offeror and has agreed in the Tender Agreement with each Tendering Shareholder that Tender-Agreed Target Shares etc. will be tendered in the Tender Offer, and has received from Effissimo the commitment to tender the Effissimo Tender-Agreed Shares in the Tender Offer; the total of Meiwa Owned Target Shares (16,303,849 shares, ownership ratio of 24.76 %) and Tender-Agreed Target Shares etc. (Target 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 Target 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 Target Shares and Tender-Agreed Target 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 successful completion of the Tender Offer. The 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, the 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 Target Shares from two-thirds of the number of voting rights (658,348 units) pertaining to the Target's Total Number of Target Shares After Accounting for Potential Target 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 Target's perspective, this lower limit requires approval on a scale corresponding to approximately 23.11% of Target shareholders and the Stock Acquisition Right Holders (ownership ratio: 43.21%) other than Tendering Shareholders and Effissimo, and it can be said that approval of a certain number of Target shareholders and the Stock Acquisition Right Holders other than Tendering Shareholders and Effissimo is a precondition, even though the Offeror does not need to obtain approval from a high percentage of the Target 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 approval of the Target 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. This fact can be evaluated as the Offeror 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 successful completion 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, Offeror believes that in the Tender Offer, the interests of the Target's shareholders are sufficiently taken into consideration through the measures set forth in (i) to (v) above serving to ensure the fairness thereof.

5. Ownership Ratio of Share Certificates, Etc. After the Purchase, Etc.

(Before Amendment)

Category	Number of Voting Rights
Number of voting rights represented by the Share Certificates, Etc. to be purchased (units) (a)	495,309
Number of voting rights represented by potential Share Certificates, Etc. included in (a) above (units) (b)	4,989
Number of voting rights represented by beneficiary securities of Share Certificates, Etc. in trust and depository receipts for Share Certificates, Etc. which represent the rights of share certificates included in (b) above (units) (c)	—
Number of voting rights represented by Share Certificates, Etc. owned by the Offeror (as of May 11, 2020) (units) (d)	—
Number of voting rights represented by potential Share Certificates, Etc. included in (d) above (units) (e)	—
Number of voting rights represented by beneficiary securities of Share Certificates, Etc. in trust and depository receipts for Share Certificates, Etc. which represent the rights of share certificates included in (e) above (units) (f)	—
Number of voting rights represented by Share Certificates, Etc. owned by special related parties (as of May 11, 2020) (units) (g)	275,892
Number of voting rights represented by potential Share Certificates, Etc. included in (g) above (units) (h)	2,120
Number of voting rights represented by beneficiary securities of Share Certificates, Etc. in trust and depository receipts for Share Certificates, Etc. which represent the rights of share certificates included in (h) above (units) (i)	—
Number of voting rights held by all shareholders, etc. of the Target (as of September 30, 2019) (units) (j)	641,547
Percentage of the number of voting rights represented by Share Certificates, Etc. to be purchased to the total number of voting rights held by all shareholders, etc. (a/j) (%)	75.24
Ownership ratio of the Share Certificates, Etc. after the purchase, etc. ((a + d + g) / (j + (b – c) + (e – f) + (h – i)) x 100) (%)	100.00

[Omitted]

(After Amendment)

Category	Number of Voting Rights
Number of voting rights represented by the Share Certificates, Etc. to be purchased (units) (a)	495,309
Number of voting rights represented by potential Share Certificates, Etc. included in (a) above (units) (b)	4,989
Number of voting rights represented by beneficiary securities of Share Certificates, Etc. in trust and depository receipts for Share Certificates, Etc. which represent the rights of share certificates included in (b) above (units) (c)	—
Number of voting rights represented by Share Certificates, Etc. owned by the Offeror (as of May 11, 2020) (units) (d)	—
Number of voting rights represented by potential Share Certificates, Etc. included in (d) above (units) (e)	—
Number of voting rights represented by beneficiary securities of Share Certificates, Etc. in trust and depository receipts for Share Certificates, Etc. which represent the rights of share certificates included in (e) above (units) (f)	—
Number of voting rights represented by Share Certificates, Etc. owned by special related parties (as of July 31, 2020) (units) (g)	359,109
Number of voting rights represented by potential Share Certificates, Etc. included in (g) above (units) (h)	2,120
Number of voting rights represented by beneficiary securities of Share Certificates, Etc. in trust and depository receipts for Share Certificates, Etc. which represent the rights of share certificates included in (h) above (units) (i)	—
Number of voting rights held by all shareholders, etc. of the Target (as of September 30, 2019) (units) (j)	641,547
Percentage of the number of voting rights represented by Share Certificates, Etc. to be purchased to the total number of voting rights held by all shareholders, etc. (a/j) (%)	75.24
Ownership ratio of the Share Certificates, Etc. after the purchase, etc. ((a + d + g) / (j + (b – c) + (e – f) + (h – i)) x 100) (%)	100.00

[Omitted]

8. Funds Required for the Tender Offer

(1) Funds, etc., Required for the Tender Offer

(Before Amendment)

Purchase price (yen) (a)	74,296,497,000
Types of Consideration Other Than Moneys	—
Total amount of consideration other than money	—
Purchase Fee (b)	200,000,000
Other (c)	10,000,000
Total (a)+(b)+(c)	74,506,497,000

(Note 1) “Purchase price (JPY) (a)” is the amount obtained by multiplying the number of Shares Certificates, Etc. to be purchased (49,530,998 shares) by the Tender Offer Price (JPY1,500).

[Omitted]

(After Amendment)

Purchase price (yen) (a)	82,716,766,660
Types of Consideration Other Than Moneys	—
Total amount of consideration other than money	—
Purchase Fee (b)	200,000,000
Other (c)	22,000,000
Total (a)+(b)+(c)	82,938,766,660

(Note 1) "Purchase price (JPY) (a)" is the amount obtained by multiplying the number of Shares Certificates, Etc. to be purchased (49,530,998 shares) by the Tender Offer Price (JPY1,670).

[Omitted]

(2) Deposits or Borrowings, etc., that may be Appropriated to Funds Required for the Tender Offer

(iii) Funds that are to be borrowed on or after the filing date of the Statement

a. Financial institutions

(Before Amendment)

	Industry of borrowers	Name, etc. of Borrower	Contents of the borrowing contract	Amount (thousand yen)
1	—	—	—	—
2	Bank	MUFG Bank, Ltd. (2-7-1, Marunouchi, Chiyoda-ku, Tokyo)	Loan for the fund required for the Tender Offer (Note) (1) Term Loan A Term of loan: 7 years (amortization loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc. (2) Term Loan B Term of loan: 7 years (bullet loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc.	(1) Term Loan A: 6,645,000 (2) Term Loan B: 26,580,000

2	Bank	Mizuho Bank, Ltd. (1-5-5, Otemachi, Chiyoda-ku, Tokyo)	Loan for the fund required for the Tender Offer (Note) (1) Term Loan A Term of loan: 7 years (amortization loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc. (2) Term Loan B Term of loan: 7 years (bullet loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc.	(1) Term Loan A: 5,907,000 (2) Term Loan B: 23,626,000
2	Bank	Sumitomo Mitsui Banking Corporation (1-1-2, Marunouchi, Chiyoda-ku, Tokyo)	Loan for the fund required for the Tender Offer (Note) (1) Term Loan A Term of loan: 7 years (amortization loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc. (2) Term Loan B Term of loan: 7 years (bullet loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc.	(1) Term Loan A: 5,168,000 (2) Term Loan B: 20,674,000
Total (b)				88,600,000

[Omitted]

(After Amendment)

	Industry of borrowers	Name, etc. of Borrower	Contents of the borrowing contract	Amount (thousand yen)
1	—	—	—	—

2	Bank	MUFG Bank, Ltd. (2-7-1, Marunouchi, Chiyoda-ku, Tokyo)	Loan for the fund required for the Tender Offer (Note) (1) Term Loan A Term of loan: 7 years (amortization loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc. (2) Term Loan B Term of loan: 7 years (bullet loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc.	(1) Term Loan A: 6,938,000 (2) Term Loan B: 27,750,000
2	Bank	Mizuho Bank, Ltd. (1-5-5, Otemachi, Chiyoda-ku, Tokyo)	Loan for the fund required for the Tender Offer (Note) (1) Term Loan A Term of loan: 7 years (amortization loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc. (2) Term Loan B Term of loan: 7 years (bullet loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc.	(1) Term Loan A: 6,166,000 (2) Term Loan B: 24,667,000
2	Bank	Sumitomo Mitsui Banking Corporation (1-1-2, Marunouchi, Chiyoda-ku, Tokyo)	Loan for the fund required for the Tender Offer (Note) (1) Term Loan A Term of loan: 7 years (amortization loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc. (2) Term Loan B Term of loan: 7 years (bullet loan) Interest rate: Floating rate based on JBA Japanese Yen TIBOR Securities: Target Shares, etc.	(1) Term Loan A: 5,396,000 (2) Term Loan B: 21,583,000
Total (b)				92,500,000

[Omitted]

(iv) Other financing methods

(Before Amendment)

Contents	Amount (thousand yen)
Equity contribution by K.K. BCJ-43	27,000,000
Total (d)	27,000,000

(NOTE) The Offeror has obtained an equity commitment letter from K.K. BCJ-43 stating that it is prepared to make an equity contribution up to JPY 27,000,000,000 in the Offeror in support of the equity contribution of the above amount. K.K. BCJ-43 has obtained an equity commitment letter from BCPE Color Cayman, L.P. stating that it is prepared to make an equity contribution up to JPY 27,000,000,000 in K.K. BCJ-43. BCPE Color Cayman, L.P. has obtained an equity commitment letter from BCPE Color Holdings Cayman, L.P. stating that BCPE Color Holdings Cayman, L.P. is prepared to make equity contribution up to JPY 27,000,000 in BCPE Color Cayman, L.P. BCPE Color Holdings Cayman, L.P. has obtained an equity commitment letter from Bain Capital Asia Fund IV, L.P. ("**BC Asia IV Fund**") that it is prepared to make an equity contribution up to JPY 27,000,000 in BCPE Color Holdings Cayman, L.P. BC Asia IV Fund is an exempted limited partnership incorporated under the laws of the Cayman Islands. The equity commitments to BC Asia IV Fund are made by the limited partners of BC Asia IV Fund (hereinafter referred to as "**BC Asia IV Fund LPs**") such as, principally, international financial institutions, public pension funds, foundations, funds of funds, and government-affiliated institutional investors. BC Asia IV Fund LPs have committed to invest in BC Asia IV Fund for a certain amount (hereinafter referred to as the "**Commitment Amount**"). If, during the investment period of BC Asia IV Fund, Bain Capital Partners Asia IV, L.P., a general partner of BC Asia IV Fund (hereinafter referred to as "**BC Asia IV Fund GP**") issues notifications to request to make an equity contribution, each of BC Asia IV Fund LPs is obligated to make an equity contribution to BC Asia IV Fund within its own unused Commitment Amount in proportion to the respective ratio of Commitment Amount, except for certain limited circumstances such as where it violates applicable laws and regulations or the investment policy by making an equity contribution.

Even if some BC Asia IV Fund LPs do not fulfill the equity contribution obligation, the other BC Asia IV Fund LPs are not exempted from their equity contribution obligations, and BC Asia IV Fund GP is entitled to oblige the other BC Asia IV Fund LPs to make additional equity investments in proportion to the respective ratio of Commitment Amount to certain extent in order to fill the shortfall arising from such default so that BC Asia IV Fund is able to make an equity contribution of the required amount.

(After Amendment)

Contents	Amount (thousand yen)
Equity contribution by K.K. BCJ-43	28,100,000
Total (d)	28,100,000

(NOTE) The Offeror has obtained an equity commitment letter from K.K. BCJ-43 stating that it is prepared to make an equity contribution up to JPY 28,100,000,000 in the Offeror in support of the equity contribution of the above amount. K.K. BCJ-43 has obtained an equity commitment letter from BCPE Color Cayman, L.P. stating that it is prepared to make an equity contribution up to JPY 27,000,000,000 in K.K. BCJ-43. K.K. BCJ-43 has also obtained an equity commitment letter from Effissimo stating that ECM Master Fund is prepared to make an equity contribution up to JPY 1,550,000,000 in K.K. BCJ-43. The Offeror was reported by Effissimo that Effissimo had confirmed that ECM Master Fund had sufficient financial resources for the equity contribution by ECM Master Fund, and the Offeror determines that ECM Master Fund has necessary financial resources based on the fact that the Subscription Agreement provides the obligation with regard to the equity contribution by ECM Master Fund, and Effissimo's track record of investment in the past. BCPE Color Cayman, L.P. has obtained an equity commitment letter from

BCPE Color Holdings Cayman, L.P. stating that BCPE Color Holdings Cayman, L.P. is prepared to make equity contribution up to JPY 27,000,000,000 in BCPE Color Cayman, L.P. BCPE Color Holdings Cayman, L.P. has obtained an equity commitment letter from Bain Capital Asia Fund IV, L.P. ("**BC Asia IV Fund**") that it is prepared to make an equity contribution up to JPY 27,000,000,000 in BCPE Color Holdings Cayman, L.P. BC Asia IV Fund is an exempted limited partnership incorporated under the laws of the Cayman Islands. The equity commitments to BC Asia IV Fund are made by the limited partners of BC Asia IV Fund (hereinafter referred to as "**BC Asia IV Fund LPs**") such as, principally, international financial institutions, public pension funds, foundations, funds of funds, and government-affiliated institutional investors. BC Asia IV Fund LPs have committed to invest in BC Asia IV Fund for a certain amount (hereinafter referred to as the "**Commitment Amount**"). If, during the investment period of BC Asia IV Fund, Bain Capital Partners Asia IV, L.P., a general partner of BC Asia IV Fund (hereinafter referred to as "**BC Asia IV Fund GP**") issues notifications to request to make an equity contribution, each of BC Asia IV Fund LPs is obligated to make an equity contribution to BC Asia IV Fund within its own unused Commitment Amount in proportion to the respective ratio of Commitment Amount, except for certain limited circumstances such as where it violates applicable laws and regulations or the investment policy by making an equity contribution.

Even if some BC Asia IV Fund LPs do not fulfill the equity contribution obligation, the other BC Asia IV Fund LPs are not exempted from their equity contribution obligations, and BC Asia IV Fund GP is entitled to oblige the other BC Asia IV Fund LPs to make additional equity investments in proportion to the respective ratio of Commitment Amount to certain extent in order to fill the shortfall arising from such default so that BC Asia IV Fund is able to make an equity contribution of the required amount.

(v) Total of deposits or borrowings, etc., that may be Appropriated to Funds Required for the Tender Offer

(Before Amendment)

JPY 125,600,000,000 ((a)+(b)+(c)+(d))

(NOTE) The above amount includes the fund for the acquisition of the Meiwa Shares, the fund for repayment of the existing debts and other related expenses, as well as the necessary funds for the Transaction.

(After Amendment)

JPY 130,600,000,000 ((a)+(b)+(c)+(d))

(NOTE) The above amount includes the fund for the acquisition of the Meiwa Shares, the fund for repayment of the existing debts and other related expenses, as well as the necessary funds for the Transaction.

10. Method of Settlement

(2) Commencement Date of the Settlement

(Before Amendment)

August 11, 2020 (Tuesday)

(After Amendment)

August 24, 2020 (Monday)

II. Status of the Offeror

1. In the Case of a Corporation

(1) Outline of the Offeror

(iii) Amount of Capital and Total Number of Issued Shares

(Before Amendment)

As of May 11, 2020

Amount of stated capital	Total number of shares issued
25,000 yen	1 share

(NOTE) As described in "(iv) Other financing methods" in "(2) Deposits or Borrowings, etc. that may be Appropriated for the Funds Required for the Tender Offer" in "8. Funds Required for the Tender Offer" in " I. Terms of the Tender Offer, " the Offeror intends to receive capital contributions up to JPY 27,000,000,000, which is expected to increase the amount of stated capital and the total number of issued shares of the Offeror.

(After Amendment)

As of May 11, 2020

Amount of stated capital	Total number of shares issued
25,000 yen	1 share

(NOTE) As described in "(iv) Other financing methods" in "(2) Deposits or Borrowings, etc. that may be Appropriated for the Funds Required for the Tender Offer" in "8. Funds Required for the Tender Offer" in " I. Terms of the Tender Offer, " the Offeror intends to receive capital contributions up to JPY 28,100,000,000, which is expected to increase the amount of stated capital and the total number of issued shares of the Offeror.

III. Status of Ownership and Status of Trading of Share Certificates, Etc. by the Offeror and Special Related Parties Thereof

1. Status of Ownership of Share Certificates, Etc.

(1) Total Status of Ownership of Share Certificates, Etc. by the Offeror and the Special Related Parties

(Before Amendment)

(As of May 11, 2020)

	Number of Share Certificates, Etc. Owned	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (iii) of the Order
Share certificates	273,772 (units)	— (Units)	— (Units)
Certificates of share acquisition rights	2,120	—	—
Certificates of corporate bonds with share acquisition rights	—	—	—
Beneficiary securities of Share Certificates, Etc. in trust ( )	—	—	—
Depository receipts for Share Certificates, Etc. ( )	—	—	—
Total	275,892	—	—
Total number of Share Certificates, Etc. owned	275,892	—	—
(Total number of potential Share Certificates, Etc. owned)	(2,120)	—	—

(After Amendment)

(As of July 31, 2020)

	Number of Share Certificates, Etc. Owned	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (iii) of the Order
Share certificates	273,773 (units)	— (Units)	83,216 (Units)
Certificates of share acquisition rights	2,120	—	—
Certificates of corporate bonds with share acquisition rights	—	—	—
Beneficiary securities of Share Certificates, Etc. in trust ( )	—	—	—
Depository receipts for Share Certificates, Etc. ( )	—	—	—
Total	275,893	—	83,216
Total number of Share Certificates, Etc. owned	275,893	—	83,216
(Total number of potential Share Certificates, Etc. owned)	(2,120)	—	—

(3) Status of Ownership of Share Certificates, Etc. by the Special Related Parties (Total for the Special Related Parties)

(Before Amendment)

(As of May 11, 2020)

	Number of Share Certificates, Etc. Owned	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (iii) of the Order
Share certificates	273,772 (units)	— (Units)	— (Units)
Certificates of share acquisition rights	2,120	—	—
Certificates of corporate bonds with share acquisition rights	—	—	—
Beneficiary securities of Share Certificates, Etc. in trust ( )	—	—	—
Depository receipts for Share Certificates, Etc. ( )	—	—	—
Total	275,892	—	—
Total number of Share Certificates, Etc. owned	275,892	—	—
(Total number of potential Share Certificates, Etc. owned)	(2,120)	—	—

(After Amendment)

(As of July 31, 2020)

	Number of Share Certificates, Etc. Owned	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (iii) of the Order

Share certificates	273,773 (units)	— (Units)	83,216 (Units)
Certificates of share acquisition rights	2,120	—	—
Certificates of corporate bonds with share acquisition rights	—	—	—
Beneficiary securities of Share Certificates, Etc. in trust ( )	—	—	—
Depository receipts for Share Certificates, Etc. ( )	—	—	—
Total	275,893	—	83,216
Total number of Share Certificates, Etc. owned	275,893	—	83,216
(Total number of potential Share Certificates, Etc. owned)	(2,120)	—	—

(4) Status of Ownership of Share Certificates, Etc. by the Special Related Parties (Breakdown for each Special Related Party)

(i) Special Related Parties

(Before Amendment)

[Omitted]

(As of May 11, 2020)

Name	Keisuke Terada
Address	3-20-10, Denenchofu, Ota-ku, Tokyo (Location of Meiwa Co., Ltd.)
Details of occupation or business	Representative Director of Meiwa Co., Ltd.
Contact details	Contact person: Takayuki Kumagai, attorney at law Contact Location: Akasaka Long Beach Building, 2nd floor, 3-21-20, Akasaka, Minato-ku, Tokyo Kumagai, Tanaka and Tsuda Law Offices Telephone number +81-3-3584-5980 (main)
Relationship with the Offeror	A person who has agreed to jointly acquire the share certificates, etc. of the Target with the Offer

(NOTE) Mr. Keisuke Terada does not plan to acquire the share certificates, etc. of the Target directly. However, Mr. Keisuke Terada is considering investing directly or indirectly in the Offeror after the Transaction if the Tender Offer is successfully completed. Therefore, the Offeror deems that Mr. Keisuke Terada may fall under the category of a person who has agreed to acquire the share certificates, etc. of the Target jointly with the Offeror, and describes him as a specially related person.

(After Amendment)

[Omitted]

(As of May 11, 2020)

Name	Keisuke Terada
Address	3-20-10, Denenchofu, Ota-ku, Tokyo (Location of Meiwa Co., Ltd.)
Details of occupation or business	Representative Director of Meiwa Co., Ltd.

Contact details	Contact person: Takayuki Kumagai, attorney at law Contact Location: Akasaka Long Beach Building, 2nd floor, 3-21-20, Akasaka, Minato-ku, Tokyo Kumagai, Tanaka and Tsuda Law Offices Telephone number +81-3-3584-5980 (main)
Relationship with the Offeror	A person who has agreed to jointly acquire the share certificates, etc. of the Target with the Offer

(NOTE) Mr. Keisuke Terada does not plan to acquire the share certificates, etc. of the Target directly. However, Mr. Keisuke Terada is considering investing directly or indirectly in the Offeror after the Transaction if the Tender Offer is successfully completed. Therefore, the Offeror deems that Mr. Keisuke Terada may fall under the category of a person who has agreed to acquire the share certificates, etc. of the Target jointly with the Offeror, and describes him as a specially related person.

(As of July 31, 2020)

Name	Effissimo Capital Management Pte. Ltd.
Address	260 Orchard Road #12-06 The Heeren Singapore 238855
Details of occupation or business	Investment advisory business
Contact details	Contact person: Takushi Takasaka Telephone number +65-6733-0309
Relationship with the Offeror	A person who has agreed to jointly acquire the share certificates, etc. of the Target with the Offer

(NOTE) Effissimo does not plan to acquire the share certificates, etc. of the Target directly. However, Effissimo will make a capital contribution to K.K. BCJ-43, which is the parent company of the Offeror, no later than the business day immediately following the last day of the purchase period pertaining to the Tender Offer subject to the successful completion of the Tender Offer. Therefore, the Offeror deems that Effissimo may fall under the category of a person who has agreed to acquire the share certificates, etc. of the Target jointly with the Offeror, and describes it as a specially related person.

(ii) Number of Share Certificates, Etc. Owned

(Before Amendment)

[Omitted]

Keisuke Terada (As of May 11, 2020)

	Number of Share Certificates, Etc. Owned	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (iii) of the Order
Share certificates	27,371 (Units)	— (Units)	— (Units)
Certificates of share acquisition rights	—	—	—
Certificates of corporate bonds with share acquisition rights	—	—	—
Beneficiary securities of Share Certificates, Etc. in trust ( )	—	—	—
Depository receipts for Share Certificates, Etc. ( )	—	—	—
Total	27,371	—	—
Total number of Share Certificates, Etc. owned	27,371	—	—

(Total number of potential Share Certificates, Etc. owned)	(—)	—	—

(After Amendment)

[Omitted]

Keisuke Terada (As of May 11, 2020)

	Number of Share Certificates, Etc. Owned	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (iii) of the Order
Share certificates	27,371 (Units)	— (Units)	— (Units)
Certificates of share acquisition rights	—	—	—
Certificates of corporate bonds with share acquisition rights	—	—	—
Beneficiary securities of Share Certificates, Etc. in trust ( )	—	—	—
Depository receipts for Share Certificates, Etc. ( )	—	—	—
Total	27,371	—	—
Total number of Share Certificates, Etc. owned	27,371	—	—
(Total number of potential Share Certificates, Etc. owned)	(—)	—	—

Effissimo (As of July 31, 2020)

	Number of Share Certificates, Etc. Owned	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (ii) of the Order	Number of Share Certificates, Etc. that fall under Article 7, paragraph (1), item (iii) of the Order
Share certificates	1 (Units)	— (Units)	83,216 (Units)
Certificates of share acquisition rights	—	—	—
Certificates of corporate bonds with share acquisition rights	—	—	—
Beneficiary securities of Share Certificates, Etc. in trust ( )	—	—	—
Depository receipts for Share Certificates, Etc. ( )	—	—	—
Total	1	—	83,216
Total number of Share Certificates, Etc. owned	1	—	83,216
(Total number of potential Share Certificates, Etc. owned)	(—)	—	—

(NOTE) Effissimo owns 100 Target Shares itself and 8,321,600 Target Shares through ECM Master Fund to which Effissimo provides investment advice under a discretionary investment contract.

3. Material Agreements Executed in Connection with the Share Certificates, Etc.

(Before Amendment)

[Omitted]

In addition, the Offeror and the Meiwa Shareholder executed the Share Transfer Agreement as of May 8, 2020, and agreed that the Meiwa Shareholder will transfer the Meiwa Shares to the Offer and the Offer will purchase them on the Date of Transfer of the Meiwa Shares.

(After Amendment)

[Omitted]

In addition, the Offeror and the Meiwa Shareholder executed the Share Transfer Agreement as of May 8, 2020, and agreed that the Meiwa Shareholder will transfer the Meiwa Shares to the Offer and the Offer will purchase them on the Date of Transfer of the Meiwa Shares.

Further, the Offeror received the Written Pledge from Effissimo on July 31, 2020 stating that Effissimo will tender or cause to tender 8,321,700 Target Shares owned by Effissimo or through ECM Master Fund (ownership ratio: 12.64%) in the Tender Offer.

IV. Transactions, Etc. Between the Offeror and the Target

2. Agreements Between the Offeror and the Target or its Officers, and the Details Thereof

(1) Support of the Tender Offer

(Before Amendment)

According to the Target Press Release, the Target resolved at its board of directors meeting held on May 8, 2020 to express its opinion in support of the Tender Offer and to recommend that its shareholders and Share Acquisition Rights Holders tender their shares and Share Acquisition Rights in the Tender Offer.

For details, please see the Target Press Release and "(vi) Approval of all non-interested directors of the Target and opinion that they had no objection from all corporate auditors of the Target" in "(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)" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased" in "I. Terms of the Tender Offer" above.

(After Amendment)

According to the Target Press Release, the Target resolved at its board of directors meeting held on May 8, 2020 to express its opinion in support of the Tender Offer and to recommend that its shareholders and Share Acquisition Rights Holders tender their shares and Share Acquisition Rights in the Tender Offer.

According to the Amended Target Press Release, subsequently, in response to the 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 Offeror's decision to receive the Written Pledge from Effissimo and to have the Subscription Agreement executed, the outline of the Written Pledge 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 as the result, the Target passed a resolution to maintain its opinion in favor of the Tender Offer as previously announced in the Target Press Release and maintain its recommendation for Target shareholders and Stock Acquisition Right Holders to tender their Shares and Stock Acquisition Rights in the Tender Offer.

For details, please see the Target Press Release, the Amended Target Press Release and "(vi) Approval of all non-interested directors of the Target and opinion that they had no objection from all corporate auditors of the Target" in "(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)" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Share Certificates, Etc. to be Purchased" in "I. Terms of the Tender Offer" above.

(2) Agreements Between the Offeror and the Officers of the Target, and the Details Thereof

(Before Amendment)

The Offeror executed the Tender Agreements with each of Mr. Mori, Mr. Daisuke Terada and Mr. Takashi Terada, respectively, and 15,858 of the shares of the Target and 67,500 of the Stock Acquisition Rights (the number of underlying shares: 67,500) owned by Mr. Mori (ownership ratio: 0.13%), 4,679,149 of the shares of the Target and 105,900 of the Stock Acquisition Rights (the number of underlying shares: 105,900) owned by Mr. Daisuke Terada (ownership ratio:7.27%), 3,572,099 of the shares of the Target and 38,600 of the Stock Acquisition Rights (the number of underlying shares: 38,600) owned by Mr. Tsuyoshi Terada (ownership ratio: 5.48%) are agreed to be tendered in the Tender Offer. For details of such agreements, please see “(i) Tender Agreement” in ”(3) Material Agreements Concerning the Tender Offer” in "3. Purpose of the Purchase ” in ” I. Terms of the Tender Offer” above.

(After Amendment)

The Offeror executed the Tender Agreements with each of Mr. Mori, Mr. Daisuke Terada and Mr. Takashi Terada, respectively, and 15,858 of the shares of the Target and 67,500 of the Stock Acquisition Rights (the number of underlying shares: 67,500) owned by Mr. Mori (ownership ratio: 0.13%), 4,679,149 of the shares of the Target and 105,900 of the Stock Acquisition Rights (the number of underlying shares: 105,900) owned by Mr. Daisuke Terada (ownership ratio:7.27%), 3,572,099 of the shares of the Target and 38,600 of the Stock Acquisition Rights (the number of underlying shares: 38,600) owned by Mr. Tsuyoshi Terada (ownership ratio: 5.48%) are agreed to be tendered in the Tender Offer. For details of such agreements, please see “(i) Tender Agreement” in ”(3) Material Agreements Concerning the Tender Offer” in "3. Purpose of the Purchase ” in ” I. Terms of the Tender Offer” above.

Further, on July 31, 2020, the Offeror received the Written Pledge from Effissimo, and Effissimo agrees in the Written Pledge that it will tender or cause to tender in the Tender Offer 8,321,700 shares of the Target Shares owned held by Effissimo or through ECM Master Fund (ownership ratio: 12.64%). For details of the Written Pledge, please refer to “(iii) Written Pledge” in “(3) Material Agreement Concerning the Tender Offer” in “I Terms of the Tender Offer” above.

V. Status of the Target

4. Matters Concerning the Target as a Continuous Disclosure Target

(1) Documents Submitted by the Target

(ii) Quarterly securities report or semiannual securities report

(Before Amendment)

Submitted to the Director General of the Kanto Local Finance Bureau on February 10, 2020 for the third quarter of the 48th fiscal year (from October 1, 2019 to December 31, 2019)

According to the Third Quarterly Report of the 48th fiscal year, the change in director during the current year to date following the submission of the 47th Annual Securities Report is as follows.

Title	Name	Date of retirement
Director and Chairman of the Board	Akihiko Terada	September 28, 2019

(After Amendment)

Submitted to the Director General of the Kanto Local Finance Bureau on February 10, 2020 for the third quarter of the 48th fiscal year (from October 1, 2019 to December 31, 2019)

According to the Third Quarterly Report of the 48th fiscal year, the change in director during the current year to date following the submission of the 47th Annual Securities Report is as follows.

Title	Name	Date of retirement
Director and Chairman of the Board	Akihiko Terada	September 28, 2019

To be submitted to the Director General of the Kanto Local Finance Bureau on August 13, 2020 for the first quarter of the 49th fiscal year (from April 1, 2020 to June 30, 2020)

B. Attachment to Tender Offer Registration Statement

1. Public Notice of Amendment to Terms of Tender Offer, Etc.

On July 31, 2020, the Offeror made the public notice electronically of "Public Notice of Amendment to Terms of Tender Offer, Etc." as the Offeror amended the terms etc. with regard to the Tender Offer. The fact that "Public Notice of Amendment to Terms of Tender Offer, Etc." was made was published in the Nihon Keizai Shimbun on July 31, 2020. The Offeror attaches the "Public Notice of Amendment to Terms of Tender Offer, Etc." to the Amendment to the Tender Offer Registration Statement as an amendment to the public notice of the commencement of the Tender Offer.

2. Equity Commitment Letter and Loan Commitment Letter

As the equity commitment letters and loan commitment letters which the Offeror had obtained were amended due to the amendment to the terms etc. with regard to the Tender Offer, the Offeror replaces the loan commitment letters obtained from MUFG Bank, Mizuho Bank, SMBC and Nomura Capital Investment and the equity commitment letter obtained from K.K. BCJ-43, and attaches the new equity commitment letter obtained from Effissimo hereto.