



June 26, 2023

Company Name	JSR Corporation
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**Announcement Regarding Planned Commencement of Tender Offer
for JSR Corporation (Securities Code: 4185) by JICC-02, Ltd.**

This is to announce the "Announcement Regarding Planned Commencement of Tender Offer for JSR Corporation (Securities Code: 4185)" by JICC-02, Ltd. attached hereto today.

End

The purpose of this document is to, in accordance with Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act, make an announcement based on a request that JICC-02, Ltd. (the tender offeror) made to JSR Corporation (the target company of the tender offer).

(Attachment)

"Announcement Regarding Planned Commencement of Tender Offer for JSR Corporation (Securities Code: 4185)" as of June 26, 2023.

[Translation]

June 26, 2023

Company Name: JICC-02, Ltd.
Representative: Osamu Itabashi, Representative Director

**Announcement Regarding Planned Commencement of Tender Offer
for JSR Corporation (Securities Code: 4185)**

JICC-02, Ltd. (the “Offeror”) hereby announces that, on June 26, 2023, it decided to acquire the share certificates, etc. of JSR Corporation (Securities Code: 4185, Prime Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”); that company, the “Target Company”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”).

Because the procedures and steps required under domestic and foreign competition laws (at present, while it is believed that procedures will be required in Japan, China, South Korea, and Taiwan and that procedures may be required in Vietnam, Israel, and Singapore, the decision on whether it is necessary to take procedures may change in the future depending on further confirmation of facts concerning the Target Company’s business or assets and views expressed by relevant authorities; hereinafter the same) and foreign investment control laws and regulations (at present, while it is believed that procedures will be required in Belgium, the decision on whether it is necessary to take procedures may change in the future depending on further confirmation of facts concerning the Target Company’s business or assets and views expressed by relevant authorities; hereinafter the same) will take time to complete, the Offeror plans to commence the Tender Offer on the following date (the “Tender Offer Commencement Date”): a date that is (i) within 10 business days after the aforementioned procedures and steps are completed and other conditions precedent (Note 1) set out in the Tender Offer Agreement (as defined in “(1) Summary of the Tender Offer” in “1. Purpose of the Tender Offer” below; hereinafter the same) (those conditions precedent, the “Tender Offer Conditions Precedent”) are satisfied (or waived at the discretion of the Offeror (Note 2)) and (ii) separately notified to the Target Company in advance by the Offeror. As of today, the Offeror aims, based on discussions with local law firms concerning such procedures, to commence the Tender Offer on or around late December 2023, but since it is difficult to accurately estimate the amount of time required for the procedures involving domestic and foreign competition authorities and authorities having jurisdiction over investment control laws and regulations, the detailed schedule for the Tender Offer will be promptly announced as soon as it is decided. Any changes to the expected timing of the commencement of the Tender Offer will be also announced promptly.

Note 1: The Tender Offer Conditions Precedent are as follows: (i) all clearances (Note 3) have been obtained; (ii) the board of directors of the Target Company has, at the time of announcement of the Tender Offer and at the time of commencement of the Tender Offer, adopted a resolution with the unanimous approval of all directors to the effect that, if the Tender Offer commences, it will express an opinion in support of the Tender Offer and that it will recommend that the Target Company’s shareholders and the Stock Acquisition Right Holders (as defined in “(1) Summary of the Tender Offer” in “1. Purpose of the Tender Offer” below; hereinafter the same) tender their shares and stock acquisition rights, respectively, in the Tender

Offer, and that the holders of ADRs (as defined in “(iii) Depositary receipts for share certificates, etc.” in “(3) Price of tender offer” under “2. Outline of the Tender Offer” below; hereinafter the same) tender their shares in the Tender Offer upon withdrawing the common shares in the Target Company (the “Target Company Shares”) pertaining to the ADSs (as defined in “(iii) Depositary receipts for share certificates, etc.” in “(3) Price of tender offer” under “2. Outline of the Tender Offer” below; hereinafter the same) represented by those ADRs in advance (the “Supporting Opinion”), such resolution has been published, and the Supporting Opinion has not been changed or withdrawn; (iii) the Special Committee (as defined in “(a) Background to the establishment of the review system” in “(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer” in “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” under “1. Purpose of the Tender Offer” below; hereinafter the same) established in connection with the Tender Offer has, at the time of announcement of the Tender Offer and at the time of commencement of the Tender Offer, reported to the board of directors of the Target Company with the unanimous approval of all members of the Special Committee that it is appropriate for the board of directors of the Target Company to express the Supporting Opinion and the report has not been changed or withdrawn; (iv) (a) there is no judgment by any governmental agency that restricts or prohibits the Transactions (as defined in “(1) Summary of the Tender Offer” in “1. Purpose of the Tender Offer” below; hereinafter the same) and (b) no petition, action, or proceeding is pending before any governmental agency that seeks to restrict or prohibit the Transactions; (v) the Target Company has performed and complied with, in all material respects, all obligations under the Tender Offer Agreement (Note 4) that are required to be performed and complied with by it; (vi) all of the representations and warranties of the Target Company (Note 5) are true and correct in all material respects; (vii) there is no unpublished material fact regarding the Target Company and the Target Company has provided a document confirming this matter to the Offeror; (viii) no material adverse effect has been identified or has occurred since the date of execution of the Tender Offer Agreement; (ix) no exemption event (Note 6) has occurred; (x) if the Tender Offer has commenced on or after the date of execution of the Tender Offer Agreement, no circumstances have arisen in the Target Company that would allow the withdrawal of the Tender Offer pursuant to the provisions of the proviso of Article 27-11, Paragraph 1 of the Act (except in cases where such circumstances have been resolved by the day preceding the Tender Offer Commencement Date without any adverse effect on the overall business, financial condition, assets, liabilities, operating results, or cash flow of the Target Company Group (as defined in “(i) The Target Company’s business environment, etc.” in “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” under “1. Purpose of the Tender Offer” below) and it is reasonably expected that such circumstances are not likely to arise again); and (xi) it is expected to be reasonably certain that the balance in the deposit accounts of the Target Company and its subsidiaries as of the end of the expiration date of the Tender Offer Period (as defined in “(2) Schedule” in “2. Outline of the Tender Offer” below; hereinafter the same) is at least a total of 74 billion yen. Please refer to “(6) Matters relating to material agreements regarding the Tender Offer” in “1. Purpose of the Tender Offer” below for details of the Tender Offer Agreement.

- Note 2: The Tender Offer Agreement stipulates that any or all of the Tender Offer Conditions Precedent may be waived at the discretion of the Offeror.
- Note 3: “Clearance” means, individually or collectively, with respect to filings under competition laws and regulations and investment control laws and other procedures with governmental agencies that the Offeror reasonably determines to be necessary or desirable for the implementation of the Transactions, (i) if there is a waiting period under those laws and regulations, the expiration of the waiting period (including any extended period if the waiting period is extended by the governmental agency having jurisdiction over such procedures) and (ii) if it is necessary to obtain the judgment of a governmental agency, the obtainment of the judgment from such governmental agency.
- Note 4: Please refer to “(6) Matters relating to material agreements regarding the Tender Offer” in “1. Purpose of the Tender Offer” below for details of the Target Company’s obligations under the Tender Offer Agreement.
- Note 5: Please refer to “(6) Matters relating to material agreements regarding the Tender Offer” in “1. Purpose of the Tender Offer” below for details of the representations and warranties of the Target Company under the Tender Offer Agreement.
- Note 6: “Exemption event” means, with regard to the financial institution that will become the lender in the borrowings (including mezzanine borrowings or capital contributions) by the Offeror or its parent company for the purpose of financing the Transactions, (i) any natural disaster, war, or outbreak of terrorism, (ii) any breakdown or failure of electric, communication or various clearing systems, (iii) any event where, in the Tokyo Interbank Market, a loan of yen funds cannot be executed, and (iv) any other event that is similar to (i) through (iii) above for any reason not attributable to the financial institution for which the financial institution makes a determination that it is objectively and reasonably impossible to conduct the financing due to that event.

1. Purpose of the Tender Offer

(1) Summary of the Tender Offer

The Offeror is a stock company (*kabushiki kaisha*) established on June 15, 2023 and whose business primarily consists of controlling and managing the business activities of the Target Company through the acquisition and holding of the share certificates, etc. of the Target Company after the completion of the Tender Offer. As of today, JIC Capital, Ltd. (“JICC”), which is a wholly-owned subsidiary of Japan Investment Corporation (“JIC”), holds all of the issued shares of the Offeror. During the period up to the time of settlement of the Tender Offer, JICC will transfer all of the issued shares of the Offeror to JIC PEF1 Limited Partnership and JIC PEFJ1 Limited Partnership both managed by JICC (collectively, the “JICC Funds”). In addition, during the period from the completion of the Tender Offer to the time of settlement of the Tender Offer, the Offeror will commence procedures for a capital contribution by a third-party allotment of common shares through which shares are allotted by the Offeror to the JICC Funds (that capital contribution, the “Contribution”) and procedures for a capital increase by a third-party allotment of preferred shares (non-voting shares) through which shares are allotted to Mizuho Bank, Ltd. (“Mizuho Bank”) and Development Bank of Japan Inc. (“DBJ”; that capital increase, the “Capital Increase by Third-Party Allotment”) for the purpose of providing for the funds necessary to execute the Transactions. JIC, JICC, and the

Offeror do not hold any Target Company Shares as of today.

JICC is a wholly-owned subsidiary of JIC, which is a corporation established to generate a virtuous cycle of risk capital to support next-generation industries in Japan. To achieve this vision, JIC promotes open innovation (Note 7) as a means of supporting the growth and enhancing the competitiveness of businesses. JIC approaches these challenges by stimulating private sector investments through the provision of funds while fostering the development of investment professionals. JICC aims to achieve both a financial return and the policy objectives of promoting business portfolio transformation to enhance the international competitiveness of Japanese industries, creating new businesses and industries to realize Society 5.0 (Note 8), establishing next-generation social infrastructure to promote Digital Transformation (DX) (Note 9), solving social issues, and serving as a catalyst for private sector investment through the supply of large-scale, long-term, neutral risk capital.

Note 7: “Open innovation” refers to the intentional and proactive utilization of the flow of internal and external resources, such as technologies and ideas, in and out of the organization to promote internal innovation and then deploying the resulting internal innovations outside the organization to increase market opportunities.

Note 8: “Society 5.0” was proposed in the 5th Science and Technology Basic Plan approved by the Cabinet on January 22, 2016 as a future society that Japan should aspire to. It refers to a human-centered society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace (virtual space) and physical space (real space).

Note 9: “Digital Transformation (DX)” refers to, in the case of business enterprises, the response to rapid changes in the business environment and reforms to a company’s products, services, and business model in response to customer and social needs by utilizing data and digital technology. At the same time, it involves the implementation of reforms in the business operation itself, the organization, business processes, corporate culture and climate, in order to establish a competitive advantage.

Since its establishment in September 2020, JICC has studied investment opportunities as a fund responsible for buyout investments (Note 10) and large growth investments (Note 11) within the JIC Group (collectively referring to JIC and its subsidiaries and affiliates). Specifically, as announced in August 2022, JICC plans to acquire 80% of the voting stock of the new combined company in the business combination of Toyo Aluminium K.K. and UACJ Foil Corporation. The domestic aluminum foil industry finds itself confronting increasingly difficult challenges due to the increase in imports of overseas manufactured aluminum foils, but it is believed that through this investment, it will be possible to streamline the manufacturing structure in the short term, thereby securing a stable supply capacity matching demand for further supply of aluminum foil (including lithium-ion battery foil), which will in turn support all industries in Japan. Through the planning of a growth strategy and enhancing facilities in the medium term, JICC’s aim is to realize technical development and manufacturing capacity that will withstand international competition, and it will support the new combined company in

establishing its position as a globally competitive aluminum foil manufacturer to further enhance the presence and corporate value of Japan's aluminum foil industry. In addition to this, JICC has announced capital participation in Hitachi Astemo, Ltd. in March 2023. Through JICC's capital participation, JICC will utilize its extensive track record of investment and support, including in the automotive industry, as well as its knowledge and information network based on that experience to support Hitachi Astemo, Ltd. in realizing sustained growth by leveraging its competitive software development technology with accelerating investment in advanced fields.

Note 10: "Buyout investment" refers to an investment strategy aimed at reforming industrial structures and strengthening international competitiveness through reorganization and integration of domestic and foreign companies.

Note 11: "Large growth investment" refers to an investment strategy aimed at strengthening the international competitiveness of a company by investing in domestic and foreign high-growth companies.

Furthermore, several members have joined JICC with investment experience at Innovative Network Corporation Japan ("INCJ"), in which JIC holds all shares and which has a similar mission to that of JICC. In addition to a wide network of corporations and industries in Japan and overseas across private and public sectors, JICC has accumulated knowledge through investments in adjacent fields, domestic industry reorganization projects, as well as large-scale and complex projects as mentioned above.

As an example of investment in the digital solutions business field, in 2012, INCJ invested in Renesas Electronics Corporation ("Renesas"), formerly the semiconductor businesses of Mitsubishi Electric Corporation, Hitachi, Ltd. and NEC Corporation. This investment was intended to support Renesas with its world-leading technology in promoting reforms and growth investments to build a solid earnings structure to thrive in the extremely volatile semiconductor industry, thus aiming to restore and strengthen the international competitiveness of Japan's semiconductor industry. Since INCJ made that investment, Renesas has established governance under a new shareholder structure while executing comprehensive structural reforms encompassing production, operation, and talent management, enabling the company to transform into a profit making entity. Furthermore, since 2017, Renesas has acquired semiconductor companies, including Intersil Corporation, Integrated Device Technology, Inc., and Dialog Semiconductor Plc, and has succeeded in accelerating its growth as a global semiconductor manufacturer by expanding its product lineup and customer base.

Today, the Offeror entered into a tender offer agreement with the Target Company (the "Tender Offer Agreement"; for details of the Tender Offer Agreement, please refer to "(6) Matters relating to material agreements regarding the Tender Offer" below), and decided to conduct the Tender Offer for all of the Target Company Shares (excluding the treasury shares held by the Target Company; hereinafter the same), the Stock Acquisition Rights (the "Stock Acquisition Rights" and the name of each of the Stock Acquisition Rights are defined in "(ii) Stock acquisition rights" in "(3) Price of tender offer" under "2. Outline of the Tender Offer" below; hereinafter the same), and the ADRs as part of the series of transactions aimed at making the Offeror the sole shareholder of the Target Company and taking the

Target Company Shares listed on the Prime Market of Tokyo Stock Exchange as of today private (the “Transactions”) on the condition that the Tender Offer Conditions Precedent are satisfied or, at the discretion of the Offeror, waived.

If the total number of share certificates, etc. tendered in response to the Tender Offer (the “Tendered Share Certificates, Etc.”) is less than the minimum number of shares to be purchased (138,531,400 shares, ownership percentage (Note 12): 66.67%) (Note 13), then the Offeror will not purchase any of the Tendered Share Certificates, Etc. Since the purpose is to acquire all of the Target Company Shares, the Stock Acquisition Rights, and the ADRs as part of the Transactions, the minimum number has been set to ensure that the Transactions will be carried out given that a special resolution in the shareholders’ meeting as provided for in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended, the “Companies Act”) is required for carrying out the procedures for the Share Consolidation (as defined in “(ii) Share Consolidation” in “(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called “Two-Step Acquisition”)” below) as described in “(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called “Two-Step Acquisition”)” below. However, because the purpose of the Transactions is to acquire all of the Target Company Shares, the Stock Acquisition Rights, and the ADRs, the Offeror has not set a limit on the maximum number of shares to be purchased, and if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of the shares to be purchased (138,531,400 shares), then the Offeror will purchase all of the Tendered Share Certificates, Etc.

Note 12: “Ownership percentage” means the percentage (rounded to two decimal places) of the number of shares (207,797,073 shares) (the “Total Number of Shares After Considering Potential Shares”) equal to the sum (208,611,300 shares) of the total number of issued shares of the Target Company as of March 31, 2023 (208,400,000 shares) as stated in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (under IFRS)” submitted by the Target Company on April 27, 2023 (the “Target Company’s Financial Results”) and (i) the Target Company Shares (6,100 shares) underlying the First Stock Acquisition Rights (61 stock acquisition rights), (ii) the Target Company Shares (3,800 shares) underlying the Stock Acquisition Rights for 2006 (for Directors) (38 stock acquisition rights), (iii) the Target Company Shares (800 shares) underlying the Stock Acquisition Rights for 2006 (for Officers) (8 stock acquisition rights), (iv) the Target Company Shares (4,600 shares) underlying the Stock Acquisition Rights for 2007 (46 stock acquisition rights), (v) the Target Company Shares (9,600 shares) underlying the Stock Acquisition Rights for 2008 (96 stock acquisition rights), (vi) the Target Company Shares (21,700 shares) underlying the Stock Acquisition Rights for 2009 (217 stock acquisition rights), (vii) the Target Company Shares (26,500 shares) underlying the Stock Acquisition Rights for 2010 (265 stock acquisition rights), (viii) the Target Company Shares (40,600 shares) underlying the Stock Acquisition Rights for 2011 (406 stock acquisition rights), (ix) the Target Company Shares (57,100 shares) underlying the Stock Acquisition Rights for 2012 (571 stock acquisition rights), (x) the Target Company Shares (18,000 shares) underlying the Stock Acquisition

Rights for 2013 (180 stock acquisition rights), and (xi) the Target Company Shares (22,500 shares) underlying the Stock Acquisition Rights for 2014 (225 stock acquisition rights), in each case remaining as of May 31, 2023 and as reported by the Target Company, less the treasury shares (814,227 shares) owned by the Target Company as of March 31, 2023 as stated in the Target Company's Financial Results. This applies hereinafter in the calculation of the ownership percentage.

Note 13: The minimum number of shares to be purchased is temporary and depends on the information as of today, and the actual number of shares to be purchased in the Tender Offer may differ from the number above due to changes in the number of treasury shares held by the Target Company occurring hereafter. The final minimum number of shares to be purchased is to be determined before the commencement of the Tender Offer, based on the latest information available as of the commencement of the Tender Offer.

If the Tender Offer has been successfully completed, but the Offeror is unable to acquire all of the Target Company Shares, the Stock Acquisition Rights, and the ADRs in the Tender Offer, then the Offeror intends to carry out the series of procedures described in “(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called “Two-Step Acquisition”)” below (the “Squeeze-Out Procedures”) in order for the Offeror to make the Target Company a wholly-owned subsidiary of the Offeror after the successful Tender Offer.

If the Tender Offer is successfully completed, the Offeror plans to procure funds through borrowing from Mizuho Bank and DBJ (the “Bank Loan”) in addition to the Contribution and the Capital Increase by Third-Party Allotment. The Offeror intends to apply these funds to the settlement of the Tender Offer and the like. The details of the loan terms of the Bank Loan will be specified in the loan agreement for the Bank Loan upon separate consultation with Mizuho Bank and DBJ. The loan agreement for the Bank Loan will stipulate that all of the issued shares of the Offeror to be held by the JICC Funds and certain assets, including the Target Company Shares to be acquired by the Offeror through the Tender Offer, will be provided as security. Of the assets to be provided as security for the Bank Loan, the assets held by the Target Company and its consolidated subsidiaries will be provided as security after the Squeeze-Out Procedures are completed.

According to the “Announcement of Opinion in Support of the Planned Commencement of Tender Offer for Shares, etc. of JSR Corporation by JICC-02, Ltd. and Recommendation to Tender Shares” released by the Target Company on June 26, 2023 (the “Target Company's Press Release”), at the board of directors meeting of the Target Company held on June 26, 2023, a resolution was adopted to the effect that, if the Tender Offer commences, the position of the Target Company as of June 26, 2023 is that it will express an opinion in support of the Tender Offer and that it will recommend that the Target Company's shareholders and holders of Stock Acquisition Rights (the “Stock Acquisition Right Holders”) tender their shares and stock acquisition rights, respectively, in the Tender Offer, and that the holders of ADRs tender their shares in the Tender Offer upon delivering their ADRs to the depositary bank and withdrawing the Target Company Shares represented by ADSs that are represented by those ADRs.

For the details of the resolution of the Target Company's board of directors meeting, please refer to "(iv) Approval of all directors who have no interest in the Target Company and no objection from all corporate auditors" in "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" below.

- (2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer

The background, purpose, and decision-making process leading to the decision to conduct the Tender Offer as well as the management policy following the Tender Offer are described below. The description of the Target Company included below is based on information released by the Target Company, the Target Company's Press Release, and explanations received from the Target Company.

- (i) The Target Company's business environment, etc.

The Target Company was established as Japan Synthetic Rubber Co., Ltd. in December 1957 under the Special Measures Law for the Synthetic Rubber Manufacturing industry, which was funded by the government and private companies for the purpose of nationalizing production of synthetic rubber, and has expanded and diversified its business in the semiconductor materials industry and life science industry, which are currently the mainstay of the Target Company's growth strategy. In October 1970, the Target Company was listed on the Second Section of the Tokyo Stock Exchange and the Osaka Securities Exchange, and in August 1971, it was re-listed on the First Section of the Tokyo Stock Exchange and the Osaka Securities Exchange. The Target Company became a purely private company following the Law on the Abolition of the Special Measures Law Concerning the Japan Synthetic Rubber Co., Ltd. in 1969.

Although the current global economy continues to be in an uncertain state due to the changes in the international situation and geopolitical fluctuations such as the growing tension in Ukraine, suppression of demand due to the spread of price increases in various countries, and the impact of foreign exchange rates due to interest rate policies in various countries, the Target Company expects the business environment to be supported by the recovery of economic activities due to the settlement of the pandemic of the COVID-19 infection, and favorable employment conditions and financial markets in the U.S.

Under these circumstances, although there has been a temporary adjustment in operations in the semiconductor materials market in which the Target Company is expanding its business, the semiconductor materials market is expected to grow strongly as a business indispensable to society, supported by demand from various electronics and information industries in response to the progress of digitalization, with some surveys predicting growth at an annual rate of about 10% toward 2030. The Target Company believes that the biopharmaceutical market will also remain strong due to the aging of society, the development of personalized medicine, and the increasing efficiency in

developing medical products. In addition, the Target Company expects the automotive market (being the main market for its plastics business) to recover from the supply chain disruption caused by the spread of the COVID-19 disease and the tight supply and demand for semiconductor materials.

The Target Company's corporate mission is "Materials Innovation: We create value through materials to enrich society, people and the environment." As a leading technology company always pursuing cutting-edge technological innovation, the Target Company aims to continuously create corporate value through efficient, transparent, and sound management and to become an attractive company that is trusted by and satisfactory to all of its stakeholders. Based on this fundamental policy, the Target Company has designated the Digital Solutions business and the Life Sciences business described below as the Target Company's core businesses, which are important for the future development of society, have the potential for market growth, are highly demanding in terms of technological innovation and in which the Target Company Group will demonstrate its strengths, and the Target Company has positioned the Digital Solutions business as "growth driver business" and the Life Sciences business as "high-growth, revenue-generating business." The Target Company intends to actively pursue R&D and business investment in the Digital Solutions business and to reinvest the cash flow generated by the establishment of a profitable basis in the Life Sciences business for further business growth in order to become a corporate entity that is both resilient (Note 1) and sustainable (Note 2), even in a global economy that continues to face uncertainties.

(a) Digital Solutions Business

The Digital Solutions business of the Target Company Group (which refers to the Target Company and its subsidiaries and affiliates; hereinafter the same) provides semiconductor materials, display materials, edge computing-related materials, and other products.

(b) Life Science Business

The Life Sciences business of the Target Company Group includes the provision of bioprocess materials, diagnostic materials, and drug discovery support services that cater to cutting-edge medical needs such as biopharmaceuticals.

Note 1: "Resilience" refers to the ability to overcome and recover from difficulties and threats while adapting flexibly to them.

Note 2: "Sustainability" refers to the concept of striving to maintain the natural environment, human society and other systems in good condition without losing their functions and systems over the long term from the perspectives of the environment, society, and the economy.

Regarding the Digital Solutions business, with a focus on the semiconductor materials sector, the Target Company's goal is to maintain and expand its share of the global market by placing greater emphasis on cutting-edge processes, including EUV photoresists (Note 3) for the 3-nanometer generation (Note 4) and beyond. Recent initiatives (such as making Inpria

Corporation, a global leader in the design, development and manufacture of metal-based photoresists (Note 5) for EUV lithography (Note 6), a wholly-owned subsidiary, expanding the product portfolio of process materials and packaging materials, constructing a new building for expanding production capacity of cutting-edge lithography materials, including EUV resists, at the Target Company's main Yokkaichi facility, and establishing local subsidiaries in Singapore and Taiwan to enhance marketing and customer support capabilities) are in line with this management policy. Given the designation of semiconductors as a specified critical commodity under the Economic Security Promotion Act, aimed at ensuring a stable supply, and the government's policy of mobilizing public and private sector investment to develop and mass-produce next-generation semiconductor-related technologies and establish design and manufacturing infrastructure in the late 2020s, the semiconductor materials market is expected to expand in the future. The Target Company's proactive stance aligns with this trend.

In addition, as competition to develop next-generation technologies in semiconductor manufacturing intensifies, semiconductor manufacturers and equipment manufacturers are expanding their corporate scale and strengthening their bargaining power with semiconductor material manufacturers. Under these circumstances, overseas semiconductor material manufacturers are increasing their competitiveness in terms of funds, human resources, and technology through large-scale mergers and acquisitions, and the Target Company believes that domestic semiconductor material manufacturers that have not yet been experienced sufficient merges and acquisitions must further strengthen their competitiveness. Furthermore, there are semiconductor materials in which the Target Company still has a low market share, such as process materials and packaging materials for 5G technology, and there are also many semiconductor materials that the Target Company has not yet entered the market even though high market growth is expected. Therefore, in the semiconductor materials industry where there are many promising domestic manufacturers, the Target Company believes, beyond research and development to maintain and expand the current competitiveness advantage, it is necessary to strengthen its international competitiveness through a bolder industry restructuring to gain a high market share in a wide range of semiconductor materials lineup, to achieve technological integration with other companies, and to enhance its resources to obtain new human resources and technologies.

Note 3: "EUV photoresist" refers to a photoresist, which reacts to EUV (Note 7).

Note 4: "3-nanometer generation" refers to a generic term for semiconductors in the 3-nanometer process rule class.

Note 5: "Photoresist" refers to a liquid chemical agent used in the semiconductor wiring manufacturing process that reacts to light and withstands subsequent surface processing.

Note 6: "EUV lithography" refers to the method of manufacturing semiconductors by transferring circuit patterns onto a substrate using EUV light when manufacturing semiconductors.

Note 7: “EUV” refers to Extreme Ultraviolet, being ultraviolet rays with short wavelengths.

Regarding the Life Sciences business, the Target Company’s goal is to provide high-quality services and products to improve people’s health and ensure that those suffering from various diseases around the world receive better and faster treatment. Specifically, the Target Company will focus on CDMO business (Note 8) by KBI Biopharma, Inc. and Selexis SA, as well as CRO business (Note 9) by Crown Bioscience International. Through the optimization of the biopharmaceutical drug discovery process, including improving development success rates, shortening development timelines, and reducing costs, the Target Company will expand its portfolio of new contracts and competitive services. In addition, the Target Company will work towards expanding its customer base through initiatives such as pipeline expansion, enhancing productivity and investment efficiency, optimizing clinical trial plans to deliver tailored treatments to specific patient populations, strengthening diagnostic reagents development at Medical & Biological Laboratories Co., Ltd. and promoting collaboration among Digital Transformation (DX) and other group companies. Through these efforts, the Target Company aims to achieve business expansion as a unified group and further enhance profitability. KBI Biopharma, Inc. will fully operationalize the Target Company’s new facilities in North Carolina, USA, and Geneva, Switzerland. This will enable the Target Company to capture the growing demand in the biopharmaceutical market and establish a stable business foundation. Furthermore, while the Target Company’s life science business primarily operates in advanced regions such as Europe and the United States, the Target Company believes there is potential for market development and business expansion in Asia, including China (being the world’s second-largest healthcare spender (Note 10)), and Japan (being the fourth-largest healthcare spender (Note 10)).

Note 8: “CDMO business” refers to contract development and manufacturing organization of biologics.

Note 9: “CRO business” refers to contract research organization of pharmaceutical products.

Note 10: Source: GLOBAL NOTE, “World Healthcare Expenditures: Rankings and Trends by Country” (<https://www.globalnote.jp/post-10286.html>)

The plastics business is being developed through Techno-UMG Corporation, which has been reorganized as a joint venture between the Target Company, UBE Corporation and Mitsubishi Chemical Corporation. The Target Company is working towards transforming Techno UMG Corporation into a robust organization and securing stable profits while operating with the goals of expanding sales of strategic products, controlling fixed costs and capital investment, and realizing integration synergies.

Considering the business environment surrounding the Target Company as described above, the Target Company has been deliberating on a range of management strategies aimed at bolstering its corporate value. On this front, the Target Company has been diligently examining capital policies and

assessing potential partners as the Target Company strives to construct a robust organization that can readily adapt to any shifts in the business landscape.

- (ii) Background, purpose, and decision-making process leading the Offeror to conduct the Tender Offer

As stated in “(1) Summary of the Tender Offer” above, JICC aims to achieve both a financial return and the policy objectives of promoting business portfolio transformation to enhance the international competitiveness of Japanese industries, creating new businesses and industries to realize Society 5.0, establishing next-generation social infrastructure to promote Digital Transformation (DX), solving social issues, and serving as a catalyst for private sector investment. JICC, which was established based on this philosophy, aims to conduct the Transactions for the main purposes of (a) enhancing the Target Company’s corporate value by making it a private entity that is not limited by its current capital structure and is not affected by short-term fluctuations in business performance, thus becoming a more resilient and sustainable entity and (b) providing an opportunity for industry reorganization and acquisition of private funds to strengthen the international competitiveness of the semiconductor materials industry in which the Target Company operates.

As stated in “(i) The Target Company’s business environment, etc.” above, the Target Company has examined various measures to enhance its corporate value for the future, and considered that in order to achieve further growth and increased corporate value for the Target Company, it would be beneficial to realize industry reorganization in the semiconductor materials industry. Under these circumstances, in mid-November 2022, the Target Company approached JICC regarding capital policies to resolve structural issues in the domestic semiconductor materials industry, and JICC held meetings with the Target Company in response to the approach. Through these meetings, the Target Company and JICC came to the conclusion that, in order to resolve structural issues in the domestic semiconductor materials industry and to achieve an increase in the corporate value of the Target Company over the medium-to-long-term, it would be desirable to take the Target Company Shares private and change the Target Company’s structure so that it can make management decisions flexibly and promptly from a medium-to-long-term perspective without being affected by short-term fluctuations in business performance, thereby promoting structural reforms and industry reorganization. In late November 2022, JICC commenced discussions with the Target Company regarding a series of transactions for the purpose of taking the Target Company Shares private. Subsequently, JICC conducted initial studies based on the outlook of the Target Company’s business and information on management policies and other similar matters provided by the Target Company, and on February 22, 2023, JICC submitted a non-legally binding letter of intent proposing to take the Target Company Shares private through a tender offer for the Target Company Shares and squeeze-out

procedures in order to increase the Target Company's corporate value from a medium-to-long-term perspective (the "Initial Letter of Intent").

The Target Company responded to JICC in relation to the Initial Letter of Intent on March 9, 2023, allowing JICC to initiate due diligence. Also, in the Target Company's response, it was stated that the board of directors of the Target Company discussed the Initial Letter of Intent presented by JICC and approved assigning the Special Committee to evaluate the proposal.

JICC conducted due diligence on the Target Company from mid-March 2023 to early May 2023 to develop a deeper understanding of the Target Company's businesses, management environment, growth strategies, and management issues, as well as to confirm accounting, tax, legal, and environmental matters involving the Target Company. At the same time, through multiple discussions with the Target Company, JICC confirmed its understanding that the Transactions are valuable opportunities to work with the Target Company in maintaining the Target Company's position as a world-leading entity with even greater resilience and sustainability. Furthermore, JICC strongly believes that as a government-affiliated fund that is able to provide large-scale, long-term, neutral risk capital in the midst of an uncertain economic environment, JICC is the best partner for the Target Company to promote initiatives that contribute to the enhancement of corporate value from a medium-to-long-term perspective without being affected by short-term fluctuations in business performance. JICC believes that, after the Transactions, it will be able to work together with the Target Company to realize synergies including those described below.

- JICC believes that its support in promoting business expansion and industry reorganization, including with respect to the digital solutions business centering on the semiconductor materials business, through acquisitions by the Target Company, will further contribute to the smooth promotion of the Target Company's growth strategy. Specifically, JICC anticipates that the Target Company will be able to maximally utilize JICC's support, etc. in the formulation of M&A strategies, selection of targets, due diligence, contract negotiation, financing, PMI, and governance structures.
- By utilizing JICC's network cultivated through the collection of information and the exchange of opinions on overseas markets and personnel exchanges with domestic and foreign institutional investors and private business operators, JICC believes that it will be able to support the planning and execution of global growth strategies, including the recruitment of new global talent.
- JICC will be able to assist the Target Company in developing a medium-to-long-term growth strategy, including financing, research and development, capital investment, and M&A based on a relatively long investment period. By providing assistance in formulating growth strategies and equity stories, collaborating with experts, and other

support services, JICC will be able to assist in establishing a capital policy that will best contribute to the continuous creation of corporate value for the Target Company.

Based on the examinations above, JICC made a first proposal in writing to the Target Company on June 1, 2023 to set the purchase price in the Tender Offer (the “Tender Offer Price”) per Target Company Share at 4,200 yen (4,200 yen represents (i) a premium of 24.81% (rounded to two decimal places; the same applies for calculations of premium rates hereinafter) on 3,365 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of May 31, 2023 (which was the business day immediately preceding the submission date of the First Proposal (June 1, 2023)), (ii) a premium of 31.66% on 3,190 yen (rounded to the nearest whole yen; the same applies for calculations of simple average closing prices hereinafter), the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 34.27% on 3,128 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 39.67% on 3,007 yen, the simple average closing price for the preceding six-month period ending on that date), the Tender Offer Price per Stock Acquisition Right (the “Stock Acquisition Rights Tender Offer Price”) at 419,900 yen, and the Tender Offer Price per share of ADSs represented by the ADRs at 4,200 yen (the “First Proposal”). In response to the First Proposal by JICC, on June 5, 2023, the Target Company requested JICC to increase the Tender Offer Price because the Tender Offer Price in the First Proposal did not adequately reflect the fair value of the Target Company.

In response to the request from the Target Company, JICC made a second proposal in writing to the Target Company on June 6, 2023 to set the Tender Offer Price per Target Company Share at 4,285 yen (4,285 yen represents (i) a premium of 26.85% on 3,378 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 5, 2023 (which was the business day immediately preceding the proposal date of June 6, 2023), (ii) a premium of 33.16% on 3,218 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 36.42% on 3,141 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 41.98% on 3,018 yen, the simple average closing price for the preceding six-month period ending on that date), the Stock Acquisition Rights Tender Offer Price at 428,400 yen, and the Tender Offer Price per share of ADSs represented by the ADRs at 4,285 yen in the Tender Offer (the “Second Proposal”). In response to the Second Proposal by JICC, the Target Company requested JICC to increase the Tender Offer Price again because the Tender Offer Price in the Second Proposal still did not adequately reflect the fair value of the Target Company as of June 8, 2023.

In response to the request from the Target Company, JICC made a third proposal in writing to the Target Company on June 9, 2023 to set the Tender Offer Price per Target Company Share at 4,340 yen (4,340 yen represents (i)

a premium of 35.71% on 3,198 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 8, 2023 (which was the business day immediately preceding the proposal date of June 9, 2023), (ii) a premium of 34.12% on 3,236 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 37.82% on 3,149 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 43.33% on 3,028 yen, the simple average closing price for the preceding six-month period ending on that date), the Stock Acquisition Rights Tender Offer Price at 433,900 yen, and the Tender Offer Price per share of ADSs represented by the ADRs at 4,340 yen in the Tender Offer (the “Third Proposal”). In response to the Third Proposal by JICC, the Target Company requested JICC to hold discussions between JICC and the Target Company regarding financial terms with respect to the Tender Offer Price in the Third Proposal as of June 9, 2023.

Based on the abovementioned request from the Target Company, on June 15, 2023, JICC and the Target Company held discussions on the financial terms, asked questions and answered about the background leading to the First Proposal through the Third Proposal and exchanged opinions about matters such as the growth strategy and management issues of the Target Company. After those discussions, JICC received another request from the Target Company to increase the Tender Offer Price.

Based on the abovementioned request from the Target Company and the discussions between JICC and the Target Company held on June 15, 2023, JICC made a final proposal in writing to the Target Company on June 16, 2023 to set the Tender Offer Price per Target Company Share at 4,350 yen (4,350 yen represents (i) a premium of 28.77% on 3,378 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 15, 2023 (which was the business day immediately preceding the proposal date of June 16, 2023), (ii) a premium of 32.06% on 3,294 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 37.57% on 3,162 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 42.81% on 3,046 yen, the simple average closing price for the preceding six-month period ending on that date), the Stock Acquisition Rights Tender Offer Price at 434,900 yen, and the Tender Offer Price per share of ADSs represented by the ADRs at 4,350 yen in the Tender Offer (the “Final Proposal”). In response to the Final Proposal by JICC, the Target Company informed JICC that it would accept the Tender Offer Price in the Final Proposal on June 19, 2023.

Based on the abovementioned deliberations by JICC and discussions and negotiations with the Target Company, JICC determined at a meeting of the investment committee held on June 19, 2023 to set the Tender Offer Price per Target Company Share at 4,350 yen, the Stock Acquisition Rights Tender Offer Price at 434,900 yen, and the Tender Offer Price per share of ADSs represented by the ADRs at 4,350 yen. In addition, with respect to the terms

of the Tender Offer other than the Tender Offer Price (the minimum number of shares to be purchased and the Tender Offer Period), JICC made a proposal in accordance with the terms set forth in this press release, and in response, the Target Company informed JICC that it would accept the proposal.

(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer

(a) Background to the establishment of the review system

As described in “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” above, the Target Company has examined various measures to enhance its corporate value for the future, and considered that in order to achieve further growth and increased corporate value for the Target Company, it would be beneficial to realize industry reorganization in the semiconductor materials industry. Under these circumstances, in mid-November 2022, the Target Company approached JICC regarding capital policies to resolve structural issues in the domestic semiconductor materials industry, and JICC held meetings with the Target Company in response to the approach. Through these meetings, the Target Company and JICC came to the conclusion that, in order to resolve structural issues in the domestic semiconductor materials industry and to achieve an increase in the corporate value of the Target Company over the medium-to-long-term, it would be desirable to take the Target Company Shares private and change the Target Company’s structure so that it can make management decisions flexibly and promptly from a medium-to-long-term perspective without being affected by short-term fluctuations in business performance, thereby promoting structural reforms and industry reorganization. In response to that, JICC began discussions with the Target Company in earnest to take the Target Company Shares private in late November 2022, in order to ensure the fairness of the Tender Offer Price and the fairness of the Transactions including the Tender Offer, the Target Company retained Mizuho Securities Co., Ltd. (“Mizuho Securities”) in early December 2022, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“Mitsubishi UFJ Morgan Stanley Securities”) in late December 2022 as financial advisors and third-party valuers independent from the Offeror and the Target Company, as well as Anderson Mori & Tomotsune as a legal advisor independent from the Offeror and the Target Company in late December 2022.

In response to receiving the Initial Letter of Intent from JICC on February 22, 2023, the Target Company established the Special Committee independent from the Offeror, the Target Company and success or failure of the Transactions, consisting of four external directors, aiming to ensure fairness, eliminate arbitrariness and potential conflicts of interest, and secure the integrity of the decision-making process of the Target Company’s board of directors in relation to the Transactions, including the Tender Offer (for further details on

the background, considerations, and assessment, please see “(i) Establishment of an Independent Special Committee at the Target Company and receipt of the SC Report from the Special Committee” in “(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below).

(b) Process of examination and negotiation

After establishing the framework above, the Target Company engaged in several discussions and negotiations with the Offeror regarding the feasibility of the Tender Offer, based on the negotiation policies and instructions, requests, and opinions at critical stages of the negotiations, which were confirmed in advance by the Special Committee. Throughout such process, the Target Company sought advice from Anderson Mori & Tomotsune, Mizuho Securities, and Mitsubishi UFJ Morgan Stanley Securities.

Specifically, on June 1, 2023, the Target Company received from JICC the First Proposal in writing to set the Tender Offer Price per Target Company Share at 4,200 yen (4,200 yen represents (i) a premium of 24.81% on 3,365 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of May 31, 2023 (which was the business day immediately preceding the submission date of the First Proposal (June 1, 2023)), (ii) a premium of 31.66% on 3,190 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 34.27% on 3,128 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 39.67% on 3,007 yen, the simple average closing price for the preceding six-month period ending on that date), the Stock Acquisition Right Tender Offer Price at 419,900 yen, and the Tender Offer Price per share of ADSs represented by the ADRs at 4,200 yen.

In response to the First Proposal by JICC, on June 5, 2023, the Target Company requested JICC to increase the Tender Offer Price because the Tender Offer Price in the First Proposal did not adequately reflect the fair value of the Target Company. JICC made the Second Proposal in writing to the Target Company on June 6, 2023 to set the Tender Offer Price per Target Company Share at 4,285 yen (4,285 yen represents (i) a premium of 26.85% on 3,378 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 5, 2023 (which was the business day immediately preceding the proposal date of June 6, 2023), (ii) a premium of 33.16% on 3,218 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 36.42% on 3,141 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 41.98% on 3,018 yen, the simple average closing price for the preceding six-month period ending on that date), the Stock Acquisition Rights Tender Offer Price at 428,400 yen, and the Tender Offer Price per share of ADSs represented by the ADRs

at 4,285 yen in the Tender Offer. In response to the Second Proposal by JICC, the Target Company requested JICC to increase the Tender Offer Price again because the Tender Offer Price in the Second Proposal still did not adequately reflect the fair value of the Target Company as of June 8, 2023. JICC made the Third Proposal in writing to the Target Company on June 9, 2023 to set the Tender Offer Price per Target Company Share at 4,340 yen (4,340 yen represents (i) a premium of 35.71% on 3,198 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 8, 2023 (which was the business day immediately preceding the proposal date of June 9, 2023), (ii) a premium of 34.12% on 3,236 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 37.82% on 3,149 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 43.33% on 3,028 yen, the simple average closing price for the preceding six-month period ending on that date), the Stock Acquisition Rights Tender Offer Price at 433,900 yen, and the Tender Offer Price per share of ADSs represented by the ADRs at 4,340 yen in the Tender Offer. In response to the Third Proposal by JICC, the Target Company requested JICC to hold discussions between JICC and the Target Company regarding financial terms with respect to the Tender Offer Price in the Third Proposal as of June 9, 2023. Based on the abovementioned request from the Target Company, on June 15, 2023, JICC and the Target Company held discussions on the financial terms, asked questions and answered about the background leading to the First Proposal through the Third Proposal and exchanged opinions about matters such as the growth strategy and management issues of the Target Company. JICC made the Final Proposal in writing to the Target Company on June 16, 2023 to set the Tender Offer Price per Target Company Share at 4,350 yen (4,350 yen represents (i) a premium of 28.77% on 3,378 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 15, 2023 (which was the business day immediately preceding the proposal date of June 16, 2023), (ii) a premium of 32.06% on 3,294 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 37.57% on 3,162 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 42.81% on 3,046 yen, the simple average closing price for the preceding six-month period ending on that date), the Stock Acquisition Rights Tender Offer Price at 434,900 yen, and the Tender Offer Price per share of ADSs represented by the ADRs at 4,350 yen in the Tender Offer. The Target Company informed JICC that it would accept the Tender Offer Price in the Final Proposal on June 19, 2023.

(c) Decision

Based on the aforementioned process, on June 26, 2023, the Target Company received the share valuation report dated June 26, 2023 from Mizuho Securities (the “Share Valuation Report (Mizuho Securities)”) and the share valuation report dated June 26, 2023 from Mitsubishi UFJ Morgan Stanley Securities (the “Share Valuation Report (Mitsubishi

UFJ Morgan Stanley Securities)”). The Target Company has thoroughly reviewed and taken into consideration the content of such share valuation reports, as well as the legal advice provided by its legal advisor, Anderson Mori & Tomotsune, regarding key considerations for decision-making in relation to the Transactions, including the Tender Offer. The Target Company has also given the utmost respect to the content of the response report submitted by the Special Committee (see “(i) Establishment of an Independent Special Committee at the Target Company and receipt of the SC Report from the Special Committee” in “(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below for a description of the contents of the SC Report). The Target Company conducted careful discussions and assessments of the Transactions, considering its potential to enhance corporate value and the reasonableness of the terms and conditions.

As a result, the Target Company has concluded that the Transactions will contribute to the enhancement of its corporate value based on the following considerations. Additionally, the Target Company has determined that the terms and conditions of the Transactions are reasonable.

(A) Digital Solutions Business

As described in “(i) The Target Company’s business environment, etc.” above, for the purpose of expanding the market and ensuring a stable supply of semiconductors in Japan, the Target Company has made strategic investments in its digital solutions business, with a focus on the semiconductor materials sector. These investments include the acquisition of Inpria Corporation and the construction of a new building in Yokkaichi facility, etc.

On the other hand, in order to enjoy a further high market growth of the semiconductor market in the future where pioneer advantage is important, the Target Company is required to have advanced technological capabilities to steadily respond to “miniaturization” and the “increasing complexity of the packaging process.” Specifically, technological advancements are needed to address miniaturization (beyond 2 nanometers (Note 1)) in the front-end process (Note 2) and to handle the mounting of 3D packaging (Note 3) in the back-end process (Note 4), among other requirements. Given the rapid pace of technological progress, active investment in advanced technologies is essential to maintain a consistently high level of technological competitiveness. Therefore, it is imperative to proactively invest in cutting-edge technologies to sustain and enhance the Target Company’s technological competitiveness.

In addition, as competition to develop next-generation technologies in semiconductor manufacturing intensifies, semiconductor manufacturers and equipment manufacturers are expanding their

corporate scale and strengthening their bargaining power with semiconductor material manufacturers. In this situation, overseas semiconductor material manufacturers are increasing their competitiveness in terms of funds, human resources, and technology through large-scale mergers and acquisitions and the Target Company believes that domestic semiconductor material manufacturers, who have not yet engaged in mergers and acquisitions, must further strengthen their competitiveness. Furthermore, the Target Company still has a low market share in certain semiconductor materials, such as process materials, and packaging materials for 5G technology. Additionally, there are many semiconductor materials in which the Target Company has not yet entered the market, despite high market growth potential. Therefore, in the field of semiconductor materials in which, it is believed that in order to maintain and expand the Target Company's current competitive advantage, not only research and development, and capital investment must be considered but also bolder industry restructuring should be pursued. This will enable the Target Company to acquire a high market share in a wide range of semiconductor materials lineup, achieve technological integration with other companies, and enhance its international competitiveness by enhancing its resources, including acquiring new talent and technology.

Note 1: "Beyond 2 nanometers" refers to next-generation semiconductors with process rules of 2 nanometer class or lower.

Note 2: "Front-end process" refers to the process of processing and forming electronic circuits and electrodes on silicon wafers (Note 5).

Note 3: "3D packaging" refers to an advanced packaging technology for semiconductor chips in which two or more layers of active electronic components are stacked and interconnected vertically and horizontally to function as a single device.

Note 4: "Back-end process" refers to the process of cutting out the hundreds of chips made on silicon wafers one by one and finishing them into the final product.

Note 5: "Silicon wafer" refers to a substrate made by thinly slicing a single-crystal ingot of polycrystalline silicon, which is a block of ultra-pure silicon, through crystal growth.

Where the Offeror is a fund established for the purpose of "promoting business restructuring to enhance the international competitiveness of domestic industries through the supply of large-scale, long-term, neutral money invested in high risk/high return," etc., the Target Company believes that the Offeror can be expected to make a commitment to the industry restructuring that the Target Company aspires to. In fact, JICC, which owns all of the outstanding shares of the Offeror as of today, also includes several members who have investment experience in INCJ, which JIC owns all of its shares and has a similar mission to that of JICC. INCJ has an extensive track record of investments for industry restructuring, such as Renesas in the semiconductor industry, Sumika Sekisui Films, Inc. and Kureha Battery Materials Japan Co. The Target Company believes that by utilizing the

Offeror's beneficial resources related to industry restructuring, it can expect to formulate and execute business strategies for the Target Company's further growth. Furthermore, with the Offeror (which has industry restructuring as its objective) becoming the parent company of the Target Company, the Target Company's intention regarding industry restructuring will become clear, and the effect of facilitating discussions with potential industry restructuring partners can be anticipated. In addition, the Target Company believes that the Offeror's neutral position as a government-affiliated fund can be used to adjust opinions and interests among stakeholders, and the absence of direct competition between the Offeror and the Target Company's business can be expected to enhance the effectiveness of the restructuring/integration and facilitate the smooth implementation of the restructuring/integration by allowing the Target Company to receive the benefits of compliance with procedures related to domestic and foreign regulations. In addition, the Target Company believes that by becoming a wholly-owned subsidiary of the Offeror through the Transactions, the Target Company can expect to receive from the Offeror the support for funds raising necessary for research and development, capital investment, and mergers and acquisitions. In addition, since the Offeror is a subsidiary of JIC, a government-affiliated fund, the Offeror invests with a relatively longer investment period than that of a private equity fund, and the Target Company believes that it will be able to consider and implement flexible strategic investments, structural reforms and industry restructuring from a medium-to-long-term perspective.

(B) Life Science Business

In the Life Sciences business, as described in "(i) The Target Company's business environment, etc." above, the Target Company believes that it will be necessary to obtain new entrustments by accelerating development process of biopharmaceutical, expand competitive services, strengthen biopharmaceutical development and manufacturing services, mainly in the CDMO and CRO businesses, strengthen diagnostics development, and develop markets and expand business in Europe, America and Asia.

Furthermore, the development of new modalities (Note 6) and the adoption of new analytical and manufacturing technologies require extensive time for verification of their safety and efficacy. The Target Company recognizes the importance of strengthening and expanding its CDMO business, CRO business, and value delivery platform for the approval and launch (Note 7) of diagnostics, while focusing on the long-term development of products and services for new modalities such as gene therapy (Note 8) and the microbiome (Note 9). Additionally, the Target Company intends to proactively engage in activities to acquire new foundation and technologies for a range of processes. Furthermore, with regard to market development and business expansion in Europe, America and Asia, the Target Company believes that various activities such as capital investment, will be necessary.

Note 6: “Modality” refers to the type of therapeutic means such as small molecule drugs, antibody drugs, nucleic acid drugs, cell therapy, gene cell therapy, and gene therapy.

Note 7: “Launch” refers to the bringing to market of a new drug that has been approved after research and development.

Note 8: “Gene therapy” refers to methods of treating or preventing diseases using genes.

Note 9: “Microbiome” refers to the totality of microorganisms (bacteria, fungi, viruses, etc.) that coexist in the human body.

Under such circumstances, the Target Company confirmed with the Offeror the Target Company’s thoughts on the above issues in the Life Sciences business and was told that the Offeror intends to support the Target Company’s intentions with respect to the Life Sciences business, and specifically, the Offeror intends to provide expertise in the formulation of growth strategies for establishment of profit base and steady business expansion, and in the preparation of action plans based on such strategies. Specifically, the Offeror intends to provide support regarding the formulation of growth strategies for market expansion and business expansion and the preparation of action plans based on such strategies. Therefore, the Target Company has come to believe that the Target Company and the Offeror are in agreement in the direction that the Target Company should aim for in the Life Sciences business, and that the Target Company can achieve growth in the Life Sciences business together with the Offeror.

During such review process, the Target Company also considered the possibility of maintaining the Target Company’s listing. For the Target Company’s further growth in the semiconductor materials business, as mentioned above, the Target Company believes it will be necessary to make bold, medium-to-long-term strategic investments, structural reforms and industry restructuring in a flexible manner, without being bound by the short-term impact on business performance. In the Life Sciences business, since the period from investment to return is expected to be long, the Target Company believes that it will be desirable to expand the business over the medium-to-long-term until the Target Company secures enough profit potential to absorb short-term performance fluctuations, without being obsessed with short-term performance. If the Target Company maintains its listing in implementing these measures, even bold strategic investments, structural reforms, or industry restructuring that would improve shareholder value in the medium-to-long-term would be difficult to adopt as a strategy because they may damage shareholder value in the short term due to decline in profit level or deterioration of cash flow, etc. from the perspective of protecting general shareholder interests, and the Target Company believes that it is expected to take time to make decisions. Therefore, the Target Company has come to believe that going private under a strategic partner would be an effective way for the Target Company to flexibly and promptly promote each of the Target Company’s initiatives to enhance competitiveness and

profitability in the medium-to-long-term.

In addition, each of the possible alternative scenarios, such as going private under a PE fund or a business company, a third-party allotment of new shares, or maintaining the status quo, have concerns as to whether any of the alternatives would achieve the Target Company's objective of taking the lead in restructuring the semiconductor materials industry, when compared based on various factors, including the level of understanding of the Target Company's management strategy, whether or not and how effective it would be in facilitating discussions with potential industry restructuring partners, the difficulty of obtaining clearance for the industry restructuring from the regulatory authorities, and the acceptability to the Target Company's employees, suppliers, and other stakeholders, and from the perspective of such relative comparisons, since there were concerns as to whether any of the possible alternative scenarios could achieve the Target Company's objective of taking the lead in restructuring the semiconductor materials industry, the Target Company has come to believe that the Transactions is suitable for the Target Company's objectives.

If the Target Company Shares become private, there is a possibility that this may affect the Target Company's social recognition that the Target Company has enjoyed as a listed company, the Target Company's ability to secure excellent human resources through the high name recognition, public trust and financing from capital markets. However, as described in "(iv) Management policy after the Tender Offer," the Target Company will establish a system in which the Target Company's officers and employees work together with the Offeror to enhance the long-term corporate value, including the introduction of incentive plans for officers and employees, and will continue to appropriately disclose corporate information in consultation with the Offeror in accordance with the policy of industry restructuring and future re-listing. The Target Company believes that it is possible for the Target Company to maintain name recognition by taking these measures, and, considering the social credibility and fund-raising capabilities, etc., as a whole obtained by becoming a member of the JICC Group (which refers to JICC and its subsidiaries and affiliates. The same shall apply hereinafter.) by becoming a part of the JICC Group, the disadvantages associated with going private are limited.

The Target Company has been conscious of measures to maximize shareholder value over the medium-to-long-term through business expansion and to enhance value for other stakeholders (customers, employees, suppliers, and society), which are important sources of business expansion. Even after taking the Target Company Shares private, the Target Company aims to increase value not only for shareholders over the medium-to-long-term, but for all global stakeholders, and focus on building a stronger business foundation and increasing value.

Based on the above, the Target Company has concluded that the Transactions will contribute to the enhancement of the Target Company's corporate value and that going private is the best option for the Target Company Shares.

Taking in light that, based on the results of the valuation of the Target Company Shares in the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), as described in "(iii) Obtaining share valuation reports from independent financial advisors and third-party appraisers at the Target Company" in "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" below, the Tender Offer Price of 4,350 yen per share (i) exceeds the results of the calculations by Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities using the market price analysis, (ii) is within the range of the results of the calculations by Mizuho Securities using the comparable companies analysis and exceeds the range of the results of the calculations by Mitsubishi UFJ Morgan Stanley Securities using the comparable companies analysis, (iii) is within the range of the results of the calculations by Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities using the discounted cash flow analysis ("DCF analysis"), (iv) is the price after adding a premium of 34.51% to the closing price of the Target Company Shares on the Tokyo Stock Exchange Prime Market on June 23, 2023 (being one business day immediately preceding the announcement date of the scheduled commencement of the Tender Offer) of 3,234 yen, which equals (x) the price after adding a premium of 30.47% of the simple average of the closing price of the shares for the past month of 3,334 yen, (y) the price after adding a premium of 36.66% of the simple average of the closing price for the past three months of 3,183 yen and, (z) the price after adding a premium of 41.42 % of the simple average of the closing price for the past six months of 3,076 yen, in each case, until the date of that closing price, respectively, and such premium level is comparable to other similar deals, (v) exceeds 3,795 yen (as of August 1, 2022), which is the highest price of the Target Company's shares for the last 52 weeks; and (vi) is the price after sufficient negotiation with the Offeror with the Special Committee's substantial involvement upon the measures to ensure the fairness of the Tender Offer as described in "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer," a considerable increase was made from the price originally offered by the Offeror, and the Target Company believes that the price was determined based on a process of negotiations aimed at making the terms of the Transactions as favorable as possible for shareholders, the Target Company has determined that the Tender Offer Price is reasonable and provides the shareholders of the Target Company with a reasonable opportunity to sell the Target Company Shares. The Stock Acquisition Rights Tender Offer Price is expected to be calculated by multiplying the difference between the Tender Offer Price and the exercise price per one Stock Acquisition

Right by the number of the Target Company Shares to be issued upon exercise of each such Stock Acquisition Right (100 for each Stock Acquisition Right), and, since the Tender Offer Price is expected to be evaluated as an amount that does not negate the appropriateness of the price as stated above and the Stock Acquisition Rights Tender Offer Price is calculated based on the difference between the Tender Offer Price and the exercise price per one Stock Acquisition Right, the Target Company has determined that the Stock Acquisition Rights Tender Offer Price is also not at a level where the appropriateness of the price can be denied.

Based on the above, the board of directors of the Target Company held a meeting on June 26, 2023, and in reflection of the opinion of the Target Company at that point in time made a resolution to express its favorable opinion towards the Tender Offer. The board of directors also recommended that the holders of the Target Company Shares and the Stock Acquisition Rights Holders tender their shares and stock acquisition rights, respectively, in the Tender Offer and the holders of the ADRs deliver the ADRs to the Depositary Banks in advance, receive the Target Company Shares represented by the ADRs before tendering for the Tender Offer and tender their shares, subject to its commencement. The Offeror intends to promptly initiate the Tender Offer within 10 business days from the date on which the subject procedures and responses have been completed and the Tender Offer Conditions Precedent are satisfied or waived at the Offeror's discretion. Presently, the target date for commencing the Tender Offer is set for late December 2023, based on discussions with domestic and foreign law firms regarding the estimated timeframe for procedures with domestic and foreign competition authorities, as well as authorities responsible for investment control laws and regulations. However, it is challenging to accurately determine the duration of these procedures and other related matters involving domestic and foreign authorities responsible for competition and investment control regulations.

In light of these circumstances, during the aforementioned board of directors meeting, the Target Company further resolved to make a request to the Special Committee (which was established by the Target Company) when the Tender Offer commences. The request entails the Special Committee considering whether there have been any changes in the opinion expressed in the SC Report. If the previous opinion remains unchanged, the Target Company's board of directors will formally state its continued support of that opinion. Alternatively, if there have been any revisions to the opinion, the Target Company's board of directors will articulate the updated stance. Additionally, the Target Company decided that it will express its opinion on the Tender Offer anew at the time the Tender Offer commences, based on the aforementioned opinion provided by the Special Committee.

For details of the resolution of the board of directors above, please refer to "(iv) Approval of all directors who have no interest in the Target

Company and no objection from all corporate auditors” in “(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below.

(iv) Management policy after the Tender Offer

If the Tender Offer is successfully completed, the Offeror intends to make the Target Company a wholly-owned subsidiary of the Offeror as stated in “(1) Summary of the Tender Offer” above. After the completion of the Squeeze-Out Procedures, an absorption-type merger (the “Merger”) is scheduled to be implemented between the Target Company and the Offeror, with the Offeror as the surviving company. After the Merger takes effect, the JICC Funds, Mizuho Bank, and DBJ will own shares of the Offeror.

After the Transactions are completed, JICC, together with the officers and employees of the Target Company, will consider and promote growth strategies, including inorganic initiatives through alliances with other companies and acquisitions of other companies (including industry reorganization in the domestic semiconductor materials industry) utilizing JICC’s network cultivated through the collection of information and the exchange of opinions on overseas markets and personnel exchanges with domestic and foreign institutional investors and private business operators, its financial capability, and its knowledge of the Target Company’s management and industry environment, while leveraging the solid business foundation that the Target Company has built thus far, with the aim of further improving the Target Company’s business and enhancing its corporate value. JICC’s basic policy is to re-list the Target Company Shares after business growth and enhancement of corporate value are realized for the Target Company through the Transactions.

The Offeror is considering appointing directors and corporate auditors of the Target Company to be nominated by JICC after the Merger takes effect, but the specific number and candidates for the directors and corporate auditors have not yet been decided and will be decided upon consultation with the Target Company.

The Offeror plans to introduce an incentive plan, such as stock options, for the directors, corporate auditors, and employees of the Target Company. The Offeror intends to establish an incentive scheme that properly incentivizes the officers and employees of the Target Company to improve the long-term corporate value of the Target Company.

(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer

As of today, the Tender Offer is not an MBO (meaning (i) a tender offer where the Offeror is a director or officer of the Target Company or (ii) a tender offer where the Offeror conducts the tender offer at the request of the directors or officers of the Target Company and the Offeror shares its benefits with the directors or officers of

the Target Company) or a tender offer that falls under any of the “Significant Transactions, etc. with Controlling Shareholder” set forth in the Code of Corporate Conduct of the Tokyo Stock Exchange. However, considering that the Offeror intends to take the Target Company Shares private through the Transactions including the Tender Offer, the Offeror and the Target Company have taken the following measures as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, taking into account the impact on the shareholders of the Target Company. The descriptions below, including the measures taken by the Target Company, are based on the Target Company’s Press Release and explanations received from the Target Company.

(i) Establishment of an Independent Special Committee at the Target Company and receipt of the SC Report from the Special Committee

(a) Background of establishment

According to the Target Company’s Press Release, in light of the fact that the Tender Offer will be conducted as part of the Transactions for the purpose of taking the Target Company Shares private, the board of directors of the Target Company established at its meeting held on March 13, 2023, for the purpose of eliminating arbitrariness in the decision-making of the board of directors of the Target Company regarding the Transactions and ensuring the fairness, transparency and objectivity of the decision-making process, the Special Committee independent from the Offeror, the Target Company and success or failure of the Transactions consisting of four outside directors of the Target Company, being: Mr. Tadayuki Seki (an independent outside director of the Target Company and Advisory Member, ITOCHU Corporation), Mr. Masato Iwasaki (an independent outside director of the Target Company and a representative director of Takeda Pharmaceutical Company Limited etc.), Mr. Kazuo Ushida (an independent outside director of the Target Company and a director of Nikon Corporation) and Mr. David Robert Hale (an independent outside director of the Target Company and a partner of ValueAct Capital Management, L.P.). The members of the Special Committee have not changed since its establishment.

The board of directors of the Target Company then requested the Special Committee to consider (i) the legitimacy and reasonableness of the purpose of the Transactions (including whether the Transactions will contribute to the enhancement of the corporate value of the Target Company), (ii) the terms and conditions of the Transactions (including the Tender Offer Price and the Stock Acquisition Rights Tender Offer Price), (iii) fairness of the procedures for the Transactions, (iv) whether the Transactions is not disadvantageous to the Target Company’s minority shareholders (including the perspective of comparing the method selected for the Transactions with other methods) and (v) whether or not the board of directors of the Target Company should express its opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company, the Stock Acquisition Rights

Holder, and holders of the ADRs tender their shares and stock acquisition rights, respectively, in the Tender Offer (collectively, the “Matters for Consultation”), and to submit a written report on the Matters for Consultation to the Target Company.

In addition, the Target Company established the Special Committee on the premise that the board of directors’ decision-making regarding the Transactions, including approval or disapproval of the Tender Offer, will respect the contents of the SC Report to the maximum extent possible, and in particular, if the Special Committee determines that the terms and conditions regarding the Transactions are not reasonable, the board of directors of the Target Company shall not approve the Transactions under such terms and conditions (including not approving of the Tender Offer). Further, the board of directors of the Target Company gave the Special Committee authority to be substantially involved in the process of negotiations with the Offeror (including giving instructions or making requests to the Target Company regarding the negotiation policy with the Offeror, as necessary), authority to appoint its own experts at the expense of the Target Company (including the power that the Special Committee may seek professional advice from the Target Company’s advisors if the Special Committee determines that there is no problem with the independence and expertise of the advisors of the Target Company), and authority to receive information necessary to consider and make decisions regarding the Transactions from the Target Company’s officers and employees. After consideration by the Compensation Advisory Committee, the remuneration of the members of this Special Committee is fixed compensation and no contingent fees contingent upon the closing of the Transactions have been adopted. Since the members of the Special Committee are all outside directors of the Target Company and their duties as the Special Committee members are considered to be included in their responsibilities as outside directors, the Target Company did not initially plan to grant them compensation as the Special Committee members in addition to their compensation as outside directors. However, because the duties of the Special Committee members require a considerable amount of additional commitment in terms of time and effort compared to their normal duties as outside directors, the Compensation Advisory Committee reexamined at its meeting held on April 27, 2023 and judged that, given the duties of the special committee members, their compensation as outside directors alone would not be sufficient. Considering the judgement of the Compensation Advisory Committee, the board of directors meeting held June 16, 2023 resolved to pay fixed compensation to the Special Committee members separately in addition to their compensation as outside directors (one member of the Special Committee voluntarily declined to receive the remuneration.). Also, the Special Committee confirmed that there are no problems with the independence and expertise of Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, the Target Company’s financial advisors and third-party valuers, and Anderson Mori & Tomotsune, the Target Company’s legal

advisor, and the Special Committee approved them as the Target Company's financial advisors and legal advisor, respectively. Furthermore, the Special Committee decided to be informed about negotiation policy and the consideration status of the Target Company from Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities and to receive the share valuation reports the Target Company received from Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, and to seek professional advice by relying on the Target Company's legal advisor and has not exercised its authority to appoint its own experts. As described in "(a) Names of third-party valuation institutions and their relationship with the Target Company and the Offeror" in "(iii) Obtaining share valuation reports from independent financial advisors and third-party appraisers at the Target Company" below, with respect to Mizuho Securities, although Mizuho Bank, a group company, is scheduled to provide a loan to the Offeror for the funds required for settlement of the Tender Offer and the preferred equity investment, in light of the independence and expertise of Mizuho Securities, the Special Committee approved the appointment of Mizuho Securities as a third-party valuer of the Target Company.

(ii) Consideration Process

Meetings of the Special Committee have been held a total of 13 times during the period from March 13, 2023 to June 26, 2023, for a total of approximately 17 hours, and the Special Committee has also performed its duties related to this consultation by reporting or sharing information through e-mail, etc., discussing and making decisions, etc. as necessary outside of meetings. Specifically, the Special Committee requested the Target Company's management and personnel in charge of the Transactions to attend the Special Committee meetings several times, where the Special Committee was briefed on the significance and purpose of the Transactions, the timing and method of the Transactions, the background leading to the consideration of the Transactions, and the management policy after the Transactions including industry restructuring, and then conducted a question and answer session in an interview format. Furthermore, the Special Committee presented the Offeror with questions regarding the significance and purpose of the Transactions, the timing and method of implementation of the Transactions, the background leading to the consideration of the Transactions, the management policy after consummation of the Transactions including industry restructuring, and the nature of JICC as a governmental fund, and received answers from the Offeror. After receiving responses from the Offeror, the Target Company conducted a question-and-answer session in the form of an interview.

In addition, the Special Committee has received explanations from the Target Company's management regarding the business plan prepared by the Target Company (the "Target Company Business Plan"), including its contents, material assumptions and the background of its preparation, and has confirmed the reasonableness of these matters. On that basis, as described in "(iii) Obtaining share valuation reports from independent financial advisors

and third-party appraisers at the Target Company” below, the Special Committee received from Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, the Target Company’s financial advisors, at the Target Company’s request, respectively, the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) concerning the Target Company Shares and has received explanations about the calculation method used for the valuation, the reasons for adopting such calculation method, the details of the calculation based on each calculation method and important assumptions (including the basis for calculating the discount rate in the DCF analysis and the reasons for selecting comparable companies in the comparable companies analysis or comparable enterprises analysis), held a question-and-answer session and considered its contents. Through the above, the Special Committee confirmed the reasonableness of the process for preparing each share valuation report.

Furthermore, the Special Committee received explanations from the Target Company, Mizuho Securities, Mitsubishi UFJ Morgan Stanley Securities, the Target Company’s financial advisors, at the Target Company’s request and Anderson Mori & Tomotsune, the Target Company’s legal advisor, regarding the measures to ensure the fairness of the Transactions in terms of procedures, the method and process of decision-making by the Target Company’s board of directors regarding the Transactions, and other measures to avoid conflicts of interest. Based on such explanation, the Special Committee discussed and deliberated on the measures to be taken to ensure the fairness of the procedures in the Transactions.

In addition, as described in “(b) Process of examination and negotiation” in (iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer” in “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” above, after the Special Committee received a proposal in writing from the Offeror on June 1, 2023 setting the Tender Offer Price at 4,200 yen per share, and each time the Target Company received a proposal or communication from the Offeror regarding the Tender Offer Price, the Special Committee received a report on the content of the proposal or communication from the Target Company in a timely manner and deliberated and examined the content of the proposal or communication after hearing the Target Company’s opinion based on the advice from a financial viewpoint received from Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, the Target Company’s financial advisors, and at important junctures the Special Committee had stated its opinion regarding the terms and conditions of the Transactions, including the Tender Offer Price. The Special Committee was substantially involved in the overall discussions and negotiations between the Target Company and the Offeror regarding the terms and conditions of the Transactions including the Tender Offer Price by the above activities. As a result, on June 16, 2023, the Target Company received the Final Proposal from the Offeror that included the Tender Offer Price of 4,350 yen per share.

(iii) Contents of the Decision

Based on the above, and taking into consideration the explanation received from Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, the Target Company's financial advisors at the Target Company's request the contents of the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), and the legal advice received from Anderson Mori & Tomotsune, the Special Committee has carefully discussed and deliberated on the Matters for Consultation. As a result, the Special Committee unanimously submitted the SC Report to the board of directors of the Target Company as of June 26, 2023, with the following contents.

(a) Contents of the SC Report

- (A) The purposes of the Transactions including the Tender Offer can be seen as legitimate and reasonable (the Transactions will contribute to enhancing the corporate value of the Target Company).
- (B) The reasonableness of the terms and conditions of the Transactions, including the Tender Offer Price and the Stock Acquisition Rights Tender Offer Price, can be seen as having secured.
- (C) The fairness of the procedures for the Transactions can be seen as having secured.
- (D) Taken in light of (A) through (C) above, the Transactions can be considered as not adverse to the interests of the minority shareholders
- (E) Taken in light of (A) through (D) above, it is currently appropriate for the board of directors of the Target Company to express an opinion supporting the Tender Offer and to recommend that the shareholders of the Target Company Shares and the Stock Acquisition Rights Holders tender their shares and stock acquisition rights, respectively, and the holders of the ADRs deliver the ADRs to the Depositary Banks in advance, receive the Target Company Shares represented by the ADRs before tendering for the Tender Offer and tender their shares, if the Tender Offer commences.

(b) Reasons for the SC Report

- (A) Whether the purposes of the Transactions can be seen as legitimate and reasonable (including whether the Transactions will contribute to enhancing the corporate value of the Target Company).

Taken in light of the followings, it is found that (i) the synergies to be expected by the Transactions can be reasonable, there are no contradictions or discrepancies between the assumptions made by JICC and those made by the Target Company, and the implementation of the Transactions will contribute to resolving the management issues recognized by the Target Company; (ii) it is appropriate to implement the Transactions, because the reasons explained as the necessity of implementing the Transactions for

pursuing strategic investments, structural reforms and industry restructuring at the Target Company rather than maintaining the listing of the Target Company, are reasonable; and (iii) there are no circumstances found that would materially hinder the enhancement of the Target Company's corporate value through the Transactions. Therefore, the Transactions, including the Tender Offer, will contribute to enhancing corporate value and its purpose is seen legitimate and reasonable.

- According to the Target Company, the Target Company has designated the Digital Solutions business and the Life Sciences business as its core businesses, which are important for the future development of society, have the potential for market growth, and are highly demanding in terms of technological innovation, and where the Target Company Group can demonstrate its strengths, and plans to actively conduct research and development and make business investment in the Digital Solutions business, as well as reinvest the cash flow generated by establishing a profitable foundation in the Life Sciences business, for further business growth. The Target Company's business environment and management challenges are as follows: (i) in the Digital Solutions business, in order to enjoy a further high market growth of the semiconductor market in the future where pioneer advantage is important, the Target Company is required to have advanced technological capabilities, and technological progress is rapid. Therefore, active investment in advanced technologies is required in order to maintain continuously high technological competitiveness. In the semiconductor materials industry, it is necessary not only for research and development and capital investment to maintain and expand the current competitive advantage, but also for the semiconductor materials industry, which has a lot of promising manufacturers in Japan, to aim more boldly for industry restructuring, thereby increasing its international competitiveness by acquiring a high market share in a wide range of semiconductor materials lineups, integrating technologies with other companies, and enhancing the resources to acquire new human resources and technologies; (ii) in the Life Sciences business, since developing new modalities and disseminating new analytical and manufacturing technologies take a long time to verify their safety and effectiveness, the Target Company itself will develop products and services for new modalities from a long-term perspective, while taking measures to acquire new technologies and developing markets and expanding business in Europe, the United States and other Asian countries. In general terms, the capital policy and business alliance with partners, which the Target Company has been considering as part of its strategies to resolve these management issues, with the aim of building a resilient organization that can adapt to all kinds of environmental changes, will be considered to contribute to enhancing the Target Company's corporate value.
- According to JICC, synergies with the Transactions contemplated

by JICC are that: (i) it will be able to smoothly promote the Target Company's growth strategy through JICC's support for the expansion of its digital solutions business and other businesses centered on the semiconductor materials business, through acquisitions to which the Target Company is a party, and for the promotion of industry restructuring; (ii) JICC's network created through collection and exchange of information and opinions on overseas markets and personnel exchanges with domestic and foreign institutional investors and private businesses can be utilized to support the planning and execution of global growth strategies of the Target Company, including the recruitment of new global human resources; and (iii) JICC can support the Target Company to formulate medium to long-term growth strategies, including fundraising, research and development, capital investment, and mergers and acquisitions based on relatively long investment periods. JICC believes that JICC can support the Target Company to establish a capital policy most conducive to the ongoing creation of the Target Company's corporate value through supporting its improvement strategies, equity story and collaboration with experts and other support services. The Target Company states that the Target Company can expect to generate the aforementioned synergies through the Transactions. The content of the above assumed synergies are considered to be reasonable because there are no contradictions between each other or obvious contradictions to objective facts.

- According to the Target Company, in order for the Target Company to flexibly promote each of its initiatives to enhance its competitiveness and profitability in the medium-to-long-term, even bold strategic investments, structural reforms and industry restructuring that will increase shareholder value in the medium to long term may damage shareholder value in the short term due to the temporary decline in profit level and deterioration of the cash flow. Therefore, as it is difficult to adopt such measures as a strategy from the viewpoint of protecting the interests of general shareholders and it is assumed that decision making will need time, if the Target Company maintains a listing upon implementing measures for further growth, it has come to the conclusion that going private under the strategic partner would be effective. According to the Target Company, the Target Company is also concerned that each of the possible alternative scenarios, such as going private under a PE fund or a business company, a third-party allotment of new shares, or maintaining the status quo, have concerns as to whether any of the alternatives would achieve the Target Company's objective of taking the lead in restructuring the semiconductor materials industry, when compared based on various factors, including the level of understanding of the Target Company's management strategy, whether or not and how effective it would be in facilitating discussions with potential industry restructuring partners, the difficulty of obtaining clearance for the industry restructuring from the regulatory

authorities, and the acceptability to the Target Company's employees, suppliers, and other stakeholders, and from the perspective of such relative comparisons, the Target Company has come to believe that the Transactions is suitable for the Target Company's objectives. According to the Target Company, if the Target Company Shares become private, there is a possibility that this may affect the Target Company's social recognition that the Target Company has enjoyed as a listed company, the Target Company's ability to secure excellent human resources through high name recognition, public trust and financing from capital markets. However, the Target Company believes that it is possible for the Target Company to maintain name recognition by taking these measures that the Target Company establish a system in which the Target Company's officers and employees work together with the Offeror to enhance the long-term corporate value, including the introduction of incentive plans for officers and employees, and continue to appropriately disclose corporate information in consultation with the Offeror in accordance with the policy of industry restructuring and future re-listing and, considering the social credibility and fund-raising capabilities, etc., as a whole obtained by becoming a member of the JICC Group by becoming a part of the JICC Group, the disadvantages associated with going private are limited. In view of the above, it is considered reasonable to make a judgment that the parties seek to resolve their management issues through the Transactions without using other methods.

- According to JICC, following the Transactions, the Offeror will, in principle, maintain the Target Company's current employment and conditions thereof, and through the introduction of incentive plans such as stock options for the Target Company's officers and employees, plan to establish a system to make the Target Company's long-term corporate value improve as a collective whole with the Offeror and the Target Company's officers and employees. No concern is anticipated that the Target Company's becoming a wholly-owned subsidiary of JICC, which is a sovereign wealth fund, would result in the Target Company's loss of creditworthiness or brand, affect its relationships with business partners, weaken its compliance and governance structure, affect its future funding, affect its future recruitment of human resources, or undermine the Target Company's employee morale, etc. No financial constraints are anticipated on the achievement of the Target Company's business plan due to the Offeror's liabilities (including borrowings from financial institutions in the Transactions). It is deemed that the future structural reforms and industry restructuring will enable sufficient repayment and interest payments in respect of the said borrowings, etc., and there is only a limited risk that it will cause a material hindrance to the business operation of the Target Company following the Transactions, and the purpose of improving the corporate value of the Target Company will not be achieved by the Transactions.

Therefore, no circumstances that cause a material hindrance to improve the corporate value of the Target Company are found.

- (B) Whether the appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price and the Stock Acquisition Rights Tender Offer Price, is ensured

Based on the following points, the Tender Offer Price and the Stock Acquisition Rights Tender Offer Price are deemed to be appropriate and the conditions of the Transactions, including the Tender Offer, are deemed to be appropriate, assuming the appropriateness of the negotiation and scheme of the Transactions.

- With respect to the negotiation status of the Tender Offer Price, the Tender Offer Price (4,350 yen per share) was determined based on the deliberations of the Special Committee, and as a result of the negotiation with JICC while receiving advice from Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, the Target Company drew a proposal to increase the purchase price from JICC on three occasions and reached a final agreement. The series of negotiation process was shared and explained to the Special Committee by the Target Company, Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities in a timely manner via the Special Committee meeting or email. As a result, the final Tender Offer Price has been substantially increased from the price initially quoted by the Offeror and the Target Company has entered into negotiations with the intention of effecting the Transactions on terms as favorable to general shareholders as possible. The same shall apply to the Stock Acquisition Rights Tender Offer Price. Based on the above, it can be inferred that the agreement on the Tender Offer Price and the Stock Acquisition Rights Tender Offer Price in the Transactions was reached as a result of negotiations between the Target Company and JICC based on objective and consistent discussions that are equivalent to those at arm's length, and no circumstances have been found that raise doubts about the transparency and fairness of the agreement process.
- The Target Company Business Plan has been prepared on a standalone basis without assuming the implementation of the Transactions, and as such, it was under discussion and preparation by the Target Company without any change in the preparation process before and after the receipt of the Initial Letter of Intent, which can be referred to as a serious proposal regarding the Transactions, there are no implications of involvement or influence on the preparation thereof by JICC or any of its affiliates. Furthermore, although the Target Company has provided certain explanations to JICC with respect to the Target Company Business Plan during its negotiations with JICC, there can be no doubt that such matters were developed or revised under JICC's instructions or with its intentions. Furthermore, the Target Company provided the Special Committee with an opportunity to explain the details such as the basis for the Target Company Business Plan and question-and-answer did not find

any circumstances requiring amendment of the Target Company Business Plan or any other circumstances which could give rise to doubts about the reasonableness of the Target Company Business Plan. Based on the foregoing, there were no findings that any pressure by the Offeror and JICC was exerted in the formulation process of the Target Company Business Plan, and there are no facts that suggest the contents thereof are unreasonable predictions.

- Regarding the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), according to the hearings with Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, there were no unreasonable points in the selection of the market price analysis, the comparable companies analysis, and the DCF analysis, as well as the calculation method and the basis for each method. The Tender Offer Price of 4,350 yen per share is deemed to be the price that (i) exceeds the calculation results of Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities using the market price analysis, (ii) is within the range of the calculation results of Mizuho Securities using the comparable companies analysis and exceeds the calculation results of Mitsubishi UFJ Morgan Stanley Securities using the comparable companies analysis, and (iii) is within the range of the calculation results of Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities using the DCF analysis. Furthermore, the Tender Offer Price of 4,350 yen per share is set at a premium of 30.47%~41.42% against the closing price of the Target Company shares on the Tokyo Stock Exchange until June 23, 2023 (the closing price on the same day and the average closing price for the past one month, the past three months, and the past six months on the same day). Considering the hearings, etc. with Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, it is deemed that the level of premium that is comparable to other similar transactions is secured under the Tender Offer. Furthermore, the Tender Offer Price is above 3,795 yen (as of August 1, 2022), the highest price for the latest 52 weeks of the Target Company shares. According to the hearings, etc. with Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, the total trading volume after July 1, 2022 is above the total number of issued shares of the Target Company (excluding treasury stock). Thus, the Target Company shareholders who acquired shares during this period are expected to be offered an opportunity to sell their shares at a price above the acquisition price. In light of the above, the level of the Tender Offer Price is not unreasonable. The Stock Acquisition Rights Tender Offer Price is expected to be the amount calculated by multiplying the difference between the Tender Offer Price and the exercise price per Target Company Share of each Stock Acquisition Right by the number of the Target Company Shares underlying each such Stock Acquisition Right (100 for each Stock Acquisition Right) and as described above, the Tender Offer Price

is not considered to be a level at which the appropriateness of the price is denied. The Stock Acquisition Rights Tender Offer Price is calculated by the difference between the Tender Offer Price and the exercise price of each Stock Acquisition Right. Therefore, the Stock Acquisition Rights Tender Offer Price is also considered to be a level at which the appropriateness of the price is denied.

- The method of the Transactions, in which a tender offer is made in the first step and a demand for sale of share or share consolidation is made in the second step, is a method generally employed for this type of non-public transaction, and a petition for the determination of the sale price to the court or a petition by pricing following the exercise of appraisal rights can be made in any of the procedures in the second step. Since the consideration to be received by the shareholders and the Stock Acquisition Rights Holders is cash, the method of the Transactions is desirable in that it is easy to understand the consideration and has high stability and objectivity of the value. It is also desirable considering the need for the Target Company to promptly become a wholly-owned subsidiary and to secure opportunities and time for general shareholders to make adequate judgments based on sufficient information. This method of the Transactions is particularly preferable to organizational restructuring such as a share exchange in exchange for shares, etc. In addition, it has been clarified that in the event of the delivery of cash to shareholders and the Stock Acquisition Rights Holders who did not tender their shares or stock acquisition rights, respectively, in the Tender Offer, the amount of money equivalent to the Tender Offer Price multiplied by the number of the Target Company Shares held by the Depository Bank will be delivered. The Depository Bank is entitled to cancel the ADRs in accordance with the provisions set forth in the ADRs and deliver to each holder of the ADRs the amount of money converted from the amount received by the Depository Bank into US dollars, in accordance with the number of the Target Company Shares represented by the ADRs, after deducting fees and taxes of the Depository Bank. Based on the above, it is reasonable to adopt the two-step acquisition method with a tender offer and to provide cash for the purchase price.

- (C) Whether the fairness of the procedures for the Transactions has been ensured

In light of the following points, it is concluded that the fairness of the procedures relating to the Transactions has been secured since (i) a situation which is practically equivalent to that of arm's length transaction has been secured in the process of forming the terms and conditions of the Transactions, and (ii) substantial fairness measures have been adopted and operated effectively from the viewpoint of securing opportunities for general shareholders to make informed and appropriate judgments.

- The Target Company has established a Special Committee consisting of independent outside directors of the Target

Company who are independent from the Offeror, the Target Company and the success or failure of the Transactions. Judging from the timing of establishment, authority and other aspects of the Special Committee, it is deemed that the Special Committee effectively functions as a fairness assurance measure.

- The Target Company has no director who has special relationship with the Offeror or JICC and the Target Company board of directors has determined that there are no directors who have a special relationship with interest with respect to the Transactions. All nine directors unanimously resolved to express an opinion in support of the Transactions and to recommend that the shareholders, the Stock Acquisition Rights Holders, and holders of the ADRs tender their shares and stock acquisition rights, respectively, and all three statutory auditors will express their opinions that they have no objection to the above resolution. The Target Company board of directors conducts decision making with the utmost respect for the Special Committee's determination and resolved not to support the Transactions if the Special Committee determines that the terms and conditions of the Transactions are not appropriate. Therefore, the arbitrariness of decision making of the Target Company with respect to the Transactions is excluded and it can be said that the fairness of decision making's process, transparency and objectivity are ensured.
- The Target Company has received legal advice from Anderson Mori & Tomotsune, legal advisors independent from the Offeror, the Target Company, and the success or failure of the Transactions.
- The Target Company has obtained the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) as materials concerning the value of the Target Company's shares from Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, which are independent from the Offeror, the Target Company and the success or failure of the Transactions.
- The tender offer period of the Tender Offer is expected to be 20 business days, the shortest period required by law. The Tender Offer is a so-called pre-announced tender offer and a relatively long period of time will be secured until the commencement of the Tender Offer after the announcement of the series of terms and conditions including the Tender Offer Price. Accordingly, the shareholders of the Target Company, the Stock Acquisition Rights Holders, and the holders of the ADRs have been provided with an appropriate opportunity to make a decision regarding tender of the Tender Offer and an opportunity to make an acquisition proposal by a counterparty offer proposer. No agreement which would unduly restrict the Target Company's contact with a counterparty offer proposer is entered into between the Target Company, the Offeror, and JICC, and since the merger and acquisition is conducted after the announcement in an environment where other potential acquirers can make

counterproposals, it can be said that the so-called indirect market checks are in place.

- A lower limit on the number of shares to be purchased under the Tender Offer will be set to exceed the amount equivalent to the so-called Majority of Minority Shares. The consummation of the Tender Offer will require the consent (acceptance) of the majority of general shareholders without interest in the Tender Offer, which will lead to a greater emphasis on securing opportunities for general shareholders to make decisions, and will contribute to the merger and acquisition being conducted on the most favorable terms possible for general shareholders.
 - In connection with the Transactions, each press release will provide sufficient information on the details of the authority granted to the Special Committee, the background of the discussions at the Special Committee and the involvement in the negotiation process for the terms of the Transactions with JICC, the contents of the SC Report and the compensation structure of the members of the Special Committee, the outline of the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), the process leading to the implementation of the Transactions and the negotiation process, and the contents of the agreement for the Transactions, and thus it is deemed that important decision-making materials that contribute to the judgment on the appropriateness of the terms of the Transactions have been provided to the shareholders of the Target Company.
 - If the Offeror fails to acquire all of the Target Company Shares, the Stock Acquisition Rights, and the ADRs in the Tender Offer, the Offeror plans to implement the Squeeze-Out Procedures by way of a demand for sale of shares, etc. or a reverse stock split. Given that in these procedures, consideration has been given so that the shareholders of the Target Company, the Stock Acquisition Rights Holders, and the holders of the ADRs will not be placed in a situation where they are expected to be treated unfavorably, it is recognized that consideration has been given so that coercion will not occur.
- (D) In light of (A) through (C) above, whether the Transactions is not disadvantageous to the Target Company's minority shareholders. Given that there are no issues with respect to any of (A) through (C) above, it is deemed that the execution of the Transactions is not disadvantageous to the minority shareholders of the Target Company.
- (E) Whether or not it is reasonable for the board of directors of the Target Company to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company and the Stock Acquisition Rights Holders tender their shares and stock acquisition rights, respectively, and holders of the ADRs deliver the ADRs to the Depository Banks in advance, receive the Target Company Shares represented by the ADRs before tendering for the Tender Offer and tender their shares in

the Tender Offer

Given that none of (A) through (D) above is considered problematic, it is reasonable for the Target Company board of directors to express its opinion in support of the Tender Offer at the time of the announcement of the proposed commencement of the Tender Offer and to recommend to the shareholders of the Target Company and the Stock Acquisition Rights Holders to tender their shares and stock acquisition rights, respectively, and to recommend to the holders of the ADRs that they tender their shares in the Tender Offer upon delivery of the ADRs to the Depository Banks in advance and delivery of the Target Company Shares represented by the ADRs.

(ii) Obtaining advice from independent legal advisors to the Target Company

According to the Target Company's Press Release, in order to ensure the transparency and reasonableness of the decision-making process of the Target Company's board of directors regarding the Transactions, the Target Company appointed Anderson Mori & Tomotsune as a legal advisor independent from the Offeror, the Target Company and success or failure of the Transactions, as described above in "(i) Establishment of an Independent Special Committee at the Target Company and receipt of the SC Report from the Special Committee." The Target Company has received legal advice from Anderson Mori & Tomotsune on the various procedures of the Transactions, including the Tender Offer, the method and process of decision-making by the board of directors of the Target Company, and other points to be noted in making decisions regarding the Transactions.

Anderson Mori & Tomotsune is not a related party of either the Offeror or the Target Company, and does not have any material interest in the Transactions, including the Tender Offer.

(iii) Obtaining share valuation reports from independent financial advisors and third-party valuers of the Target Company

(a) Names of third-party valuation institutions and their relationship with the Target Company and the Offeror

According to the Target Company's Press Release, the Target Company requested Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, third-party valuers who are not related parties of either the Offeror or the Target Company and who do not have any material interest in the Transactions including the Tender Offer, to evaluate the value of the Target Company Shares. Although Mizuho Securities is a member of the Mizuho Financial Group, as well as Mizuho Bank, Mizuho Bank conducts loan transactions, etc. with the Target Company as part of its ordinary banking transactions. While Mizuho Bank is a shareholder of the Target Company and on the other hand plans to provide the Offeror with a loan for the funds required for the settlement of the Tender Offer and the preferred equity investment, Mizuho

Securities has established and implemented an appropriate conflict of interest management system including measures to segregate information between Mizuho Securities and Mizuho Bank in accordance with the applicable laws and regulations of Article 36, Paragraph 2 of the Act and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments and Exchange Business, etc. (Cabinet Office Ordinance No. 52 of 2007, as amended), and has calculated the share value of the Target Company from a standpoint independent of Mizuho Bank as a lender to the Offeror. The Target Company has determined that Mizuho Securities has established and implemented an appropriate conflict of interest management system for the calculation of the value of the Target Company Shares, and has appointed Mizuho Securities as a third-party valuer. In any event, the Target Company has implemented additional measures to safeguard the fairness of the Tender Offer Price and mitigate potential conflicts of interest within the Transactions (for specific details, please refer to “(i) Establishment of an Independent Special Committee at the Target Company and receipt of the SC Report from the Special Committee” through “(vi) Measures to ensure there is an opportunity to receive tender offers from other offerors” above). Based on such measures, the Target Company believes that the interests of its minority shareholders have been adequately taken into consideration, and therefore, has not obtained a Fairness Opinion on the Tender Offer Price. The compensation payable to Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities for the Transactions includes a contingency fee to be paid on the condition that the Transactions is consummated. Taking into consideration the general practice in similar transactions and the pros and cons of the compensation system in which a reasonable amount of expenses will be incurred by the Target Company even if the Transactions is unsuccessful, the Target Company has determined that independence is not compromised by the fact that the contingency fee will be paid on the condition that the Tender Offer is completed is included in the compensation payable to Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities.

(b) Overview of valuation

According to the Target Company’s Press Release, the Target Company obtained the Share Valuation Report (Mizuho Securities) dated June 26, 2023.

Mizuho Securities considered the calculation method for the Tender Offer, and concluded that based on the premise that the Target Company is a going concern, it is appropriate to evaluate the value of the Target Company Shares from multiple perspectives, and used (i) the market price analysis because the Target Company Shares are listed on the Tokyo Stock Exchange Prime Market and a market price exists for the shares, (ii) the comparable companies analysis because there are several comparable listed companies that can be compared with the Target Company and it is possible to draw an analogy between the

market value of the Target Company Shares and the market value of comparable listed companies, and (iii) the DCF analysis to reflect the Target Company's future business activities in the calculation. The range of per share values of the Target Company Shares calculated by Mizuho Securities based on the above methods is as follows.

Market price analysis	3,076 yen - 3,334 yen
Comparable companies analysis	3,223 yen - 4,532 yen
DCF analysis	2,814 yen - 5,760 yen

Under the market price analysis, the per-share value of the Target Company Share was calculated to be in the range of 3,076 yen and 3,334 yen based on the closing price of the Target Company Shares on the Tokyo Stock Exchange Prime Market, being the closing price of the Target Company Shares as of the base date of 3,234 yen, the simple average of the closing price of the Target Company Shares for the most recent one month of 3,334 yen, three months of 3,183 yen, and six months periods of 3,076 yen, respectively, on the calculation base date, which was set on June 23, 2023. Under the comparable companies analysis, the per-share value of the Target Company Shares was calculated to be in the range of 3,223 yen to 4,532 yen, based on a comparison with the market share price and financial indicators of profitability of listed companies engaged in relatively similar businesses to those of the Target Company. Under the DCF analysis, the per-share value of the Target Company Shares was calculated to be in the range from 2,814 yen to 5,760 yen by discounting the free cash flows that the Target Company is expected to generate in and after the fiscal year ending March 31, 2024 by a certain discount rate to arrive at a present value, based on the earnings forecasts and investment plans in the Target Company's business plan for the fiscal years ending March 31, 2024 through March 31, 2027.

In calculating the equity value of the Target Company Shares, Mizuho Securities, in principle, used the information provided by the Target Company and publicly available information as is, and assumed that all such materials and information were accurate and complete, and did not independently verify their accuracy and completeness. In addition, no independent evaluation or appraisal of the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company or its affiliates has been conducted, and no request for appraisal or assessment has been made to any third party. In addition, it is assumed in the calculation that the information regarding the Target Company's financial forecasts (including the aforementioned business plan) has been reasonably prepared based on the best and most sincere forecasts and judgments available to the Target Company at this point in time. With respect to such financial forecasts, the Special Committee has questioned and answered with the Target Company and confirmed the reasonableness of their contents and assumptions.

In the Target Company’s business plan referred by Mizuho Securities in their DCF analysis, there are fiscal years in which a significant increase in profit compared to the previous fiscal year is expected. Specifically, a significant increase is expected for Fiscal Year Ended March 2025 compared to Fiscal Year Ended March 2024, and a further significant increase is expected for Fiscal Year Ended March 2026 compared to Fiscal Year Ended March 2025. As mentioned in “(i) The Target Company’s business environment, etc.” under “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer”, in the Digital Solutions business, although there has been a temporary adjustment in operations in the semiconductor materials market in which the Target Company is expanding its business, the semiconductor materials market is expected to grow strongly as a business indispensable to society, supported by demand from various electronics and information industries in response to the progress of digitalization, and in the Life Sciences business, the biopharmaceutical market will also remain strong due to the aging of society, the development of personalized medicine, and the increasing efficiency in developing medical products, and through the high technological capabilities of the Target Company, the Target Company expects to achieve growth higher than that of the market.

The Target Company also obtained the Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) dated June 26, 2023.

Mitsubishi UFJ Morgan Stanley Securities considered the calculation method for the Tender Offer and concluded that it was appropriate to evaluate the equity value of the Target Company Shares from multiple perspectives, and used (i) the market price analysis because the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and a market price is available, (ii) the comparable companies analysis because there are several listed companies engaged in relatively similar businesses to the Target Company and it is possible to infer the share value by comparing similar companies and (iii) the DCF analysis to reflect the evaluation of the intrinsic value based on future business activities.

The range of values per share of the Target Company Shares calculated using each of the above methods is as follows.

Market price analysis	3,076 yen - 3,334 yen
Comparable companies analysis	3,304 yen - 3,993 yen
DCF analysis	3,761 yen - 4,783 yen

In the market price analysis, the base date was set as June 23, 2023 (the “Base Date”) and the per-share value of the Target Company Shares was calculated to range from 3,076 yen to 3,334 yen based on the closing price of the Target Company Shares as of the base date of 3,234 yen, the simple average closing price of the Target Company Share on

the Tokyo Stock Exchange Prime Market for the one-month period ending on the Base Date of 3,334 yen, the simple average closing price for the most recent three months ending on the Base Date of 3,183 yen, and the simple average closing price for the most recent six months ending on the Base Date of 3,076 yen.

Under the comparable companies analysis, the per-share value of the Target Company Shares was calculated to range from 3,304 yen to 3,993 yen by comparing the market share price and financial indicators such as profitability of listed companies engaged in relatively similar businesses to those of the Target Company.

Under DCF analysis, the business value is calculated by discounting the free cash flows that the Target Company is expected to generate by a certain discount rate to arrive at a present value, taking into account various factors such as the business plan prepared by the Target Company for the fiscal years ending March 31, 2024 through March 31, 2027, recent performance trends, and publicly disclosed information. The range of the per-share value of the Target Company Shares is calculated to be 3,761 yen to 4,783 yen by analyzing the Target Company's corporate value and share value, making certain financial adjustments such as adding the value of surplus cash and cash equivalents, etc. held by the Target Company.

In evaluating the equity value of the Shares, in principle, Mitsubishi UFJ Morgan Stanley Securities adopted, without any change, the information provided from the Target Company, publicly available information, and other relevant materials, and, assuming that all of such information and materials are accurate and complete, has not independently verified the accuracy or completeness of such information and materials. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information related to the financial forecasts of the Target Company has been reasonably prepared by the Target Company based on best forecasts and judgments currently available to them. With respect to the assets and liabilities (including off balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company and its affiliated companies, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed these assets or liabilities, or ordered any appraisal or assessment from a third party institution. The evaluation by Mitsubishi UFJ Morgan Stanley Securities reflects the afore-mentioned information up to June 23, 2023.

In the Target Company's business plan referred by Mitsubishi UFJ Morgan Stanley in their DCF analysis, there are fiscal years in which a significant increase in profit compared to the previous fiscal year is expected. Specifically, a significant increase expected for Fiscal Year Ended March 2025 compared to Fiscal Year Ended March 2024, and a further significant increase is expected for Fiscal Year Ended March 2026 compared to Fiscal Year Ended March 2025. As mentioned in "(i) The Target Company's business environment, etc." under "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following

the Tender Offer”, in the Digital Solutions business, although there has been a temporary adjustment in operations in the semiconductor materials market in which the Target Company is expanding its business, the semiconductor materials market is expected to grow strongly as a business indispensable to society, supported by demand from various electronics and information industries in response to the progress of digitalization, and in the Life Sciences business, the biopharmaceutical market will also remain strong due to the aging of society, the development of personalized medicine, and the increasing efficiency in developing medical products, and through the high technological capabilities of the Target Company, the Target Company expects to achieve growth higher than that of the market.

- (iv) Approval of all directors who have no interest in the Target Company and no objection from all corporate auditors

According to the Target Company’s Press Release, the Target Company, taking into consideration the share valuation reports from each of Mizuho Securities and Mitsubishi UFJ Morgan Stanley Securities, as well as legal advice from Anderson Mori & Tomotsune and other related materials, while respecting to the maximum extent the content of the decisions indicated in the SC Report submitted by the Special Committee, carefully discussed and examined whether the Transactions would contribute to the enhancement of the Target Company’s corporate value, and whether the terms and conditions of the Transactions (including the Tender Offer Price) are reasonable.

As a result, as stated in “(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer” in “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” above, the Target Company has determined that the Transactions would contribute to improving the corporate value of the Target Company and that the terms and conditions of the Transactions are reasonable. The board of directors of the Target Company unanimously resolved, at the board of directors meeting held today, to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company and the Stock Acquisition Rights Holders tender their shares and stock acquisition rights, respectively, in the Tender Offer and the holders of the ADRs deliver the ADRs to the Depository Banks in advance, receive the Target Company Shares represented by the ADRs before tendering for the Tender Offer and tender their shares, if the Tender Offer commences, by a unanimous vote of the nine non-interested directors present. In addition, all three of the Target Company’s auditors attended the above meeting of the board of directors, and all of the auditors in attendance expressed that they had no objection to the above resolution.

As stated in “(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer” in “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer”

above, the Offeror plans to promptly commence the Tender Offer if the Tender Offer Conditions Precedent to the Tender Offer are satisfied or waived at the Offeror's discretion, and as of today, the Offeror aims to commence the Tender Offer by the late December, 2023, based on discussions with domestic and foreign local law firms regarding the estimated time required for the procedures, etc. with domestic and foreign competition authorities. However, it is difficult to accurately predict the time required for the procedures with domestic and foreign competition authorities and authorities that have jurisdiction over investment control laws and regulations.

In light of these circumstances, at the aforementioned board of directors meeting, the Target Company also resolved to request the Special Committee established by the Target Company to consider at the time the Tender Offer commences whether or not the opinion in the SC Report has changed, and to report to the board of directors to that effect if the previous opinion has not changed, or to provide a revised opinion if it has changed, and to express its opinion on the Tender Offer anew based on such revised opinion at the time the Tender Offer commences.

- (v) Setting minimum number of shares to be purchased satisfying majority of minority condition

As set forth in “(1) Summary of the Tender Offer” above, the minimum number of shares to be purchased in the Tender Offer (138,531,400 shares; ownership percentage: 66.67%) will exceed the number equal to the number of shares (103,898,537 shares; ownership percentage: 50.00%) equal to a majority of the Total Number of Shares After Considering Potential Shares (207,797,073 shares), i.e., a majority of the number of Target Company Shares owned by shareholders of the Target Company who do not have an interest in the Offeror or a so-called “majority of minority.” The Offeror believes that the Tender Offer gives serious consideration to the intention of the minority shareholders of the Target Company, as the Tender Offer would not be successfully completed if it does not obtain the support of a majority of shareholders of the Target Company who do not have an interest in the Offeror.

- (vi) Measures to ensure there is an opportunity to receive tender offers from other offerors

Although the offer period of the Tender Offer has been set at 20 business days, which is the minimum period stipulated by law, the Tender Offer is a so-called prior disclosure-type tender offer, where the transaction terms including the Tender Offer Price are disclosed in advance. As a result, a relatively long period is ensured from the announcement of the transaction terms until the commencement of the Tender Offer. Further, the Offeror and JICC have not reached an agreement with the Target Company that would excessively restrict the Target Company from contacting competing offerors. The Offeror therefore believes that it has ensured that the Target Company's shareholders, Stock Acquisition Right Holders, and holders of ADRs have an opportunity to properly determine whether to tender their shares, etc. in the Tender Offer

and that it has provided an opportunity for competing offerors to make offers.

- (4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called “Two-Step Acquisition”)

If the Offeror is unable to acquire all of the Target Company Shares, the Stock Acquisition Rights, and the ADRs through the Tender Offer, then the Offeror intends to take one of the following actions after the successful completion of the Tender Offer to make the Target Company a wholly-owned subsidiary of the Offeror.

- (i) Demand for the Sale of Shares, Etc.

If the total number of voting rights represented by shares owned by the Offeror is equal to or exceeds 90% of the total number of voting rights of all shareholders of the Target Company after the successful completion of the Tender Offer, the Offeror intends to demand, promptly after the settlement of the Tender Offer, that all shareholders of the Target Company (excluding the Offeror and the Target Company) (“Selling Shareholders”) sell all of the Target Company Shares that they own (“Shares to be Sold”) to the Offeror (the “Demand for the Sale of Shares”) and demand that all of the holders of the Stock Acquisition Rights (excluding the Offeror) (the “Selling Stock Acquisition Right Holders”) sell all of the Stock Acquisition Rights that they own (“Stock Acquisition Rights to be Sold”) to the Offeror (the “Demand for the Sale of Stock Acquisition Rights”; together with the Demand for the Sale of Shares, the “Demand for the Sale of Shares, Etc.”), pursuant to the provisions of Article 172, Paragraphs 1 and 2 of the Companies Act. In the event of a Demand for the Sale of Shares, the Offeror intends to determine that each of the Shares to be Sold owned by the Selling Shareholders will be exchanged for cash consideration equal to the Tender Offer Price, and in the event of a Demand for the Sale of Stock Acquisition Rights, the Offeror intends to determine that each of the Stock Acquisition Rights to be Sold owned by the Selling Stock Acquisition Right Holders will be exchanged for cash consideration equal to the Stock Acquisition Rights Tender Offer Price. In such an event, the Offeror will notify the Target Company of the Demand for the Sale of Shares, Etc. and seek the Target Company’s approval thereof. If the Target Company approves the Demand for the Sale of Shares, Etc. by a resolution of the board of directors, then, in accordance with the procedures provided for in relevant laws and regulations and without requiring the specific consent of the Selling Shareholders and the Selling Stock Acquisition Right Holders, the Offeror will acquire all of the Shares to be Sold from the Selling Shareholders and all of the Stock Acquisition Rights to be Sold from the Selling Stock Acquisition Right Holders on the acquisition date stipulated by the Demand for the Sale of Shares, Etc. In this case, the Offeror will deliver an amount of cash consideration per Target Company Share equal to the Tender Offer Price to each Selling Shareholder and an amount of cash consideration per unit of the Stock Acquisition Right equal to the Stock Acquisition Rights Tender Offer Price to each Selling Stock Acquisition Right Holder in exchange for the Target Company Shares owned by the Selling Shareholders and the Stock Acquisition Rights owned by the Selling Acquisition Right Holders. According to the Target Company’s Press Release,

if the Offeror conducts a Demand for the Sale of Shares, Etc., the Target Company intends to approve the Demand for the Sale of Shares, Etc.

Since the Target Company Shares subject to the Demand for the Sale of Shares include the Target Company Shares held by the Depositary Banks (as defined in “(iii) Depositary receipts for share certificates, etc.” in “(3) Price of tender offer” under “2. Outline of the Tender Offer” below; hereinafter the same) that are represented by ADRs, if the abovementioned approval is made, cash equal to the amount obtained by multiplying the Tender Offer Price by the number of those Target Company Shares will be delivered to the Depositary Banks. In this case, according to the ADR Registration Statements (as defined in “(iii) Depositary receipts for share certificates, etc.” in “(3) Price of tender offer” under “2. Outline of the Tender Offer” below; hereinafter the same), the Depositary Banks may terminate ADRs and deliver to each of the holders of the ADRs, in proportion to the number of ADSs they hold and that are represented by the ADRs, cash equal to the amount obtained by converting the cash delivered to the Depositary Banks into US dollars and deducting the fees of the Depositary Banks and taxes, etc. in accordance with the terms set out in the ADRs.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders in relation to the Demand for the Sale of Shares, Etc., the Selling Shareholders and the Selling Stock Acquisition Right Holders will be able to file a petition with the court for a determination of the sale price for the Shares to be Sold and the Stock Acquisition Rights to be Sold pursuant to the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations. The sale price for the Shares to be Sold and Stock Acquisition Rights to be Sold by this method will be finally determined by the court.

If the holders of ADRs intend to file a petition for a determination of the sale price, they are required to deliver their ADRs to the Depositary Banks and withdraw the Target Company Shares deposited with the Depositary Banks before filing the petition pursuant to the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations.

(ii) Share Consolidation

If the total number of voting rights represented by shares owned by the Offeror is less than 90% of the total number of voting rights of all shareholders of the Target Company after the successful completion of the Tender Offer, the Offeror will request the Target Company to hold an extraordinary shareholders’ meeting at which the following proposals will be submitted (the “Extraordinary Shareholders’ Meeting”): (i) to conduct a consolidation of the Target Company Shares (the “Share Consolidation”) and (ii) to make a partial amendment to the Target Company’s Articles of Incorporation to abolish the share unit number provisions on the condition that the Share Consolidation becomes effective. The Offeror intends to approve each of those proposals at the Extraordinary Shareholders’ Meeting. If the proposal for the Share Consolidation is approved at the Extraordinary

Shareholders' Meeting, the shareholders of the Target Company will come to own the number of Target Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting as of the effective date of the Share Consolidation. In such case, if, due to the Share Consolidation, the number is a fraction less than one, each shareholder of the Target Company who holds such fractional shares will receive an amount of cash obtained by selling the Target Company Shares equivalent to the total number of shares less than one unit (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Target Company or the Offeror as per the procedures specified in Article 235 of the Companies Act and other relevant laws and regulations. The purchase price for the aggregate sum of the Target Company Shares that are less than one unit will be valued so that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by each such shareholder. The Offeror will request the Target Company to file a petition to the court for permission to purchase such Target Company Shares on this basis. Although the ratio of the Share Consolidation of the Target Company Shares has not been determined as of today, it is intended that the shares of shareholders who did not tender their shares in the Tender Offer (excluding the Offeror and the Target Company) will be classified as shares less than one unit in order for the Offeror to become the sole owner of all of the Target Company Shares.

Since the Target Company Shares subject to the Share Consolidation include the Target Company Shares held by the Depositary Banks that are represented by ADRs, if the abovementioned determination is made, the number of Target Company Shares held by the Depositary Banks after the Share Consolidation will also be a fractional number of less than one share. In this case, according to the ADR Registration Statements, the Depositary Banks may terminate the ADRs and deliver to each of the holders of the ADRs, in proportion to the number of ADSs they hold and that are represented by the ADRs, cash equal to the amount obtained by converting the cash delivered to the Depositary Banks into US dollars and deducting the fees of the Depositary Banks and taxes, etc. in accordance with the terms set out in the ADRs.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders in relation to the Share Consolidation, the Companies Act provides that if the Share Consolidation occurs and there are shares less than one unit as a result thereof, each shareholder of the Target Company may request that the Target Company purchase all such shares less than one unit at a fair price, and such shareholders may file a petition to the court to determine the price of the Target Company Shares in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. The purchase price per share by this method will be finally determined by the court.

If the holders of ADRs intend to make a demand for purchase of shares and file a petition for a determination of the sale price, they are required to deliver

their ADRs to the Depositary Banks and withdraw the Target Company Shares deposited with the Depositary Banks before making the demand and filing the petition pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

If the Tender Offer has been successfully completed but the Offeror does not own at least 90% of the number of the voting rights of all shareholders of the Target Company, and if the Offeror is unable to acquire all of the Stock Acquisition Rights in the Tender Offer and any Stock Acquisition Rights remain unexercised, then the Offeror plans either to request the Target Company to implement, or to itself implement, the procedures reasonably required for carrying out the Transactions, such as the acquisition of the Stock Acquisition Rights by the Target Company or a recommendation by the Target Company to the holders of the Stock Acquisition Rights to waive their Stock Acquisition Rights.

With regard to the procedures described in (i) and (ii) above, it is possible that, depending on circumstances such as the interpretation of the relevant laws and regulations by authorities, more time may be required or alternative methods may be utilized to implement the procedures. However, even in such a case, the Offeror intends to make the Target Company a wholly-owned subsidiary of the Offeror by a method whereby the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Target Company) will ultimately receive cash consideration equal to the number of Target Company Shares held by such shareholders multiplied by the Tender Offer Price. If cash is paid to the holders of Stock Acquisition Rights of the Target Company who did not tender their Stock Acquisition Rights in the Tender Offer, the amount of cash to be paid to each of those holders of the Stock Acquisition Rights shall be calculated so that such amount is equal to the amount obtained by multiplying the respective purchase price per unit of the Stock Acquisition Rights in the Tender Offer by the number of such Stock Acquisition Rights of the Target Company owned by such holders of the Stock Acquisition Rights. In this case, it is expected that the same will apply to the amount of the money to be delivered to the Depositary Banks in relation to the Target Company Shares that are held by the Depositary Banks and represented by ADRs, and according to the ADR Registration Statements, the Depositary Banks may terminate ADRs and deliver to each of the holders of the ADRs, in proportion to the number of ADSs they hold and that are represented by the ADRs, cash equal to the amount obtained by converting the cash delivered to the Depositary Banks into US dollars and deducting the fees of the Depositary Banks and taxes, etc. in accordance with the terms set out in the ADRs.

(5) Expected delisting and reasons therefor

The Target Company Shares are currently listed on the Prime Market of the Tokyo Stock Exchange as of today. However, since the Offeror has not set a limit on the maximum number of share certificates, etc. to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange,

depending on the result of the Tender Offer.

Also, even in the event that the delisting standards are not met upon completion of the Tender Offer, if the Squeeze-Out Procedures are carried out as stated in “(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called “Two-Step Acquisition”)” above after the successful completion of the Tender Offer, then the Target Company Shares will be delisted through the prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange. After delisting, the Target Company Shares will no longer be traded on the Prime Market of the Tokyo Stock Exchange.

(6) Matters relating to material agreements regarding the Tender Offer

As stated in “(1) Summary of the Tender Offer” above, the Offeror has, in connection with the Tender Offer, executed the Tender Offer Agreement with the Target Company regarding the Transactions on June 26, 2023. The Tender Offer Agreement sets forth representations and warranties by the Offeror and the Target Company (Note 1), the Target Company’s obligations (Note 2), and certain covenants (Note 3), and also provides that the Offeror will conduct the Tender Offer on the condition that the Tender Offer Conditions Precedent are satisfied or, at the discretion of the Offeror, waived.

Note 1: In the Tender Offer Agreement, the Offeror represents and warrants (i) the validity of its incorporation, existence, and authority, (ii) the existence of the authority and power necessary for the execution and performance of the Tender Offer Agreement, and performance of necessary procedures, (iii) the validity and enforceability of the Tender Offer Agreement, (iv) the absence of any conflict with laws and regulations regarding the execution and performance of the Tender Offer Agreement, (v) the nonexistence of any antisocial forces and absence of involvement with any antisocial forces, (vi) the absence of any bankruptcy procedures, and (vii) the sufficiency of funds necessary for the settlement of the Tender Offer. In addition, in the Tender Offer Agreement, the Target Company represents and warrants (i) the validity of its incorporation, existence, and authority, (ii) the existence of the authority and power necessary for the execution and performance of the Tender Offer Agreement, and performance of necessary procedures, (iii) the validity and enforceability of the Tender Offer Agreement, (iv) the absence of any conflict with laws and regulations regarding the execution and performance of the Tender Offer Agreement, (v) the nonexistence of any antisocial forces and absence of involvement with any antisocial forces, (vi) the absence of any bankruptcy procedures, (vii) matters relating to the Target Company Shares, (viii) the accuracy of securities reports filed after April 1, 2021, the absence of any material off-balance-sheet liabilities, the conduct of business in the ordinary course of business after April 1, 2022 and the absence of any material adverse effect (meaning any material adverse effect on the business, financial condition, operating results, or cash flow of the Target Company Group, any material adverse effect on the execution of the Transactions, or any likelihood thereof (limited to that objectively and reasonably expected)), and the absence of unpublished material facts, (ix) with respect to any material

agreement to which the Target Company Group has become a party, the absence of any agreement with provisions that substantially prohibit or restrict the conduct of business, such as non-competition obligations, to which the Offeror and its related parties are subject, and the absence of agreements under which the Offeror and its related parties bear guarantee obligations, additional funding obligations, or similar obligations, (x) the absence of a violation in any material respects by the Target Group of laws and regulations or judgments of governmental agencies, and (xi) the accuracy of the information disclosed in due diligence and the absence of any omissions of material facts or misleading statements.

Note 2 The following is a summary of the obligations owed by the Target Company in the Tender Offer Agreement: (i) obligation to express and announce the Supporting Opinion and maintain the Supporting Opinion (provided, however, that if, after having discussions in good faith (Note 3), it is unavoidable from the perspective of the duty of care of the directors of the Target Company, it will be deemed that the Target Company withholding, modifying, or withdrawing the Supporting Opinion will not constitute a breach of those obligations, and if the Target Company withdraws the Supporting Opinion in that case, it will not owe the obligations set out in (iii) through (xii) below following that), (ii) obligation not to reach an agreement, etc. on Competing Transactions (meaning any transaction or act that is reasonably considered likely to compete with the Transactions or hinder the execution of the Transactions under the Tender Offer Agreement, hereinafter the same) (Note 3), (iii) obligation to conduct business in the ordinary course of business, (iv) obligation to grant access to information on the Target Company Group to the Offeror to a reasonable extent if that is reasonably considered necessary for the implementation of the Transactions, (v) obligation to cooperate in financing by the Offeror to a reasonably practical extent, (vi) obligation to make a reasonable effort to obtain consent from counterparties to material contracts with provisions that require the consent of the counterparty upon consummation of the Transactions, (vii) obligation to make a reasonable effort to notify the counterparties of material contracts with provisions that require prior notification to the counterparty upon consummation the Transactions, (viii) obligation to make a reasonable effort to explain the Transactions to the Target Company's in-house labor union and to obtain their understanding of the Transactions, (ix) obligation to cooperate to a reasonably practical extent with any recommendation that an officer shareholding association, employee shareholding association, partner company shareholding association, or business partner shareholding association of the Target Company or a member of any of those shareholding associations tender its shares in the Tender Offer, (x) obligation to make efforts to obtain support for the Transactions from major shareholders of the Target Company and obligation to cooperate with the Offeror in obtaining that support to the extent not jeopardizing the fairness of the procedures of the Transactions, (xi) obligation to notify the Offeror if it breaches any of its representations and warranties, breaches any of its obligations, or it finds that it might be unable to satisfy the Tender Offer Conditions Precedent, (xii) obligation

to consult and notify in advance when changing business plans or budgets, and (xiii) obligation to pay compensation if it breaches any of its representations and warranties or breaches any of its obligations under the Tender Offer Agreement.

Note 3 There are provisions in the Tender Offer Agreement that restrict the Target Company from reaching an agreement on or making a proposal, offering, or soliciting an offer for a Competing Transaction, but under the Tender Offer Agreement, if the Target Company receives a proposal for a Competing Transaction from a person other than the Offeror after the execution of the Tender Offer Agreement, it shall promptly notify the Offeror of that fact and matters objectively considered necessary for the Offeror to compare and consider the terms of that Competing Transaction with the terms of the Transactions and inform the Offeror of the status of its discussions and consideration of that proposal to the maximum possible extent that is reasonably practical, after which the Target Company shall have discussions in good faith with the Offeror on a reasonably practical response to the Competing Transaction (including, but not limited, to the handling of the obligation to maintain the Supporting Opinion and the obligations owed by the Target Company under the Tender Offer Agreement). If the Tender Offer Agreement is terminated or cancelled in connection with the Target Company withholding, modifying, or withdrawing the Supporting Opinion in connection with the proposal for the Competing Transaction or discussions described above, the Target Company shall pay the Offeror 4 billion yen.

2. Outline of the Tender Offer

(1) Outline of the Target Company

(i)	Name	JSR Corporation
(ii)	Address	1-9-2 Higashi-Shimbashi, Minato-ku, Tokyo
(iii)	Name and Title of Representative Director	Eric Johnson, Representative Director, CEO and President
(iv)	Businesses	Digital solutions business (semiconductor materials business (including lithography materials, CMP materials, packaging materials, and cleaning agents), display materials business, and edge computing related business), life sciences business (drug discovery and development services business (including contract development and manufacturing of biopharmaceuticals and contract development of pharmaceutical products), research & diagnostics products business, and bioprocess products business), plastics business (including ABS resins, AES resins, AS resins, and ASA resins), and other businesses (including acrylic emulsions, waterproofing materials, and Heartnote)
(v)	Capital	23,370 million yen (as of March 31, 2023)
(vi)	Date of Foundation	December 10, 1957

<p>(vii) Major Shareholders and Ownership Percentage, as of March 31, 2023</p>	<ul style="list-style-type: none"> • The Master Trust Bank of Japan, Ltd. (Trust Account) – 16.00% • SSBTC CLIENT OMNIBUS ACCOUNT BRITISH VIRGIN ISLANDS/U.K. (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department) – 9.00% • SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department) – 6.99% • Custody Bank of Japan, Ltd. (Trust Account) – 5.13% • JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department) – 3.62% • STATE STREET BANK AND TRUST COMPANY 510312 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department) – 2.63% • MSCO CUSTOMER SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.) – 2.52% • STATE STREET BANK AND TRUST COMPANY 510311 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department) – 2.22% • ML PRO SEGREGATION ACCOUNT (Standing proxy: BofA Securities, Inc.) – 2.01% • Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.) – 1.79% 										
<p>(viii)</p>	<table border="1"> <tr> <td colspan="2" data-bbox="646 1167 1412 1205">Relationships Between the Offeror and the Target Company</td> </tr> <tr> <td data-bbox="646 1205 646 1243">Capital Relationships</td> <td data-bbox="646 1205 1412 1243">Not applicable</td> </tr> <tr> <td data-bbox="646 1243 646 1321">Personnel Relationships</td> <td data-bbox="646 1243 1412 1321">Not applicable</td> </tr> <tr> <td data-bbox="646 1321 646 1400">Business Relationships</td> <td data-bbox="646 1321 1412 1400">Not applicable</td> </tr> <tr> <td data-bbox="646 1400 646 1462">Related Party Relationships</td> <td data-bbox="646 1400 1412 1462">Not applicable</td> </tr> </table>	Relationships Between the Offeror and the Target Company		Capital Relationships	Not applicable	Personnel Relationships	Not applicable	Business Relationships	Not applicable	Related Party Relationships	Not applicable
Relationships Between the Offeror and the Target Company											
Capital Relationships	Not applicable										
Personnel Relationships	Not applicable										
Business Relationships	Not applicable										
Related Party Relationships	Not applicable										

Note: Statements in “(vii) Major Shareholders and Ownership Percentage, as of March 31, 2023” are based on the information stated in the “Status of the Major Shareholders” in the 78th Securities Report submitted by the Target Company on June 19, 2023 (the “Target Company’s Securities Report”).

(2) Schedule

The Offeror plans to commence the Tender Offer on a date that is (i) within 10 business days after the Tender Offer Conditions Precedent are satisfied (or waived at the discretion of the Offeror) and (ii) separately notified to the Target Company in advance by the Offeror. As of today, the Offeror aims to commence the Tender Offer on or around late December 2023, but since it is difficult to accurately estimate the amount of time required for the procedures involving domestic and foreign competition authorities and authorities having jurisdiction over investment

control laws and regulations, the detailed schedule for the Tender Offer will be promptly announced as soon as it is decided. The period of the tender offer (the “Tender Offer Period”) is expected to be set for 20 business days (Note).

Note: As the Offeror plans to ensure that the Tender Offer Period will be no less than 20 business days in the U.S., which is the minimum number of days required for the Tender Offer Period under U.S. securities laws, the number of days in the Tender Offer Period might exceed 20 business days.

- (3) Price of tender offer
- (i) Common stock: 4,350 yen per share of common stock
 - (ii) Stock acquisition rights
 - (a) Stock acquisition rights issued pursuant to the resolution at the ordinary general meeting of shareholders held on June 17, 2005 and the resolution at the board of directors meeting held on June 17, 2005 (the “First Stock Acquisition Rights”) (the exercise period is from June 18, 2005 to June 17, 2025): 434,900 yen per stock acquisition right
 - (b) Stock acquisition rights issued pursuant to the resolution at the ordinary general meeting of shareholders held on June 16, 2006 and the resolution at the board of directors meeting held on July 10, 2006 (the “Stock Acquisition Rights for 2006 (for Directors)”) (the exercise period is from August 2, 2006 to June 16, 2026): 434,900 yen per stock acquisition right
 - (c) Stock acquisition rights issued pursuant to the resolution at the ordinary general meeting of shareholders held on June 16, 2006 and the resolution at the board of directors meeting held on July 10, 2006 (the “Stock Acquisition Rights for 2006 (for Officers)”) (the exercise period is from August 2, 2006 to June 16, 2026): 434,900 yen per stock acquisition right
 - (d) Stock acquisition rights issued pursuant to the resolution at the board of directors meeting held on June 15, 2007 and the resolution at the board of directors meeting held on July 9, 2007 (the “Stock Acquisition Rights for 2007”) (the exercise period is from July 11, 2007 to July 10, 2027): 434,900 yen per stock acquisition right
 - (e) Stock acquisition rights issued pursuant to the resolution at the board of directors meeting held on June 13, 2008 and the resolution at the board of directors meeting held on July 14, 2008 (the “Stock Acquisition Rights for 2008”) (the exercise period is from July 16, 2008 to July 15, 2028): 434,900 yen per stock acquisition right
 - (f) Stock acquisition rights issued pursuant to the resolution at the board of directors meeting held on June 16, 2009 and the resolution at the board of directors meeting held on July 13, 2009 (the “Stock Acquisition Rights for 2009”) (the exercise period is from July 15, 2009 to July 14, 2029): 434,900 yen per stock acquisition right

- (g) Stock acquisition rights issued pursuant to the resolution at the board of directors meeting held on June 18, 2010 and the resolution at the board of directors meeting held on July 12, 2010 (the “Stock Acquisition Rights for 2010”) (the exercise period is from July 14, 2010 to July 13, 2030): 434,900 yen per stock acquisition right
- (h) Stock acquisition rights issued pursuant to the resolution at the board of directors meeting held on June 17, 2011 and the resolution at the board of directors meeting held on July 11, 2011 (the “Stock Acquisition Rights for 2011”) (the exercise period is from July 13, 2011 to July 12, 2031): 434,900 yen per stock acquisition right
- (i) Stock acquisition rights issued pursuant to the resolution at the board of directors meeting held on June 15, 2012 and the resolution at the board of directors meeting held on July 9, 2012 (the “Stock Acquisition Rights for 2012”) (the exercise period is from July 11, 2012 to July 10, 2032): 434,900 yen per stock acquisition right
- (j) Stock acquisition rights issued pursuant to the resolution at the board of directors meeting held on June 21, 2013 and the resolution at the board of directors meeting held on July 8, 2013 (the “Stock Acquisition Rights for 2013”) (the exercise period is from July 17, 2013 to July 16, 2033): 434,900 yen per stock acquisition right
- (k) Stock acquisition rights issued pursuant to the resolution at the board of directors meeting held on July 14, 2014 and the resolution at the board of directors meeting held on July 28, 2014 (the “Stock Acquisition Rights for 2014”) (the exercise period is from July 31, 2014 to July 30, 2034): 434,900 yen per stock acquisition right

(The First Stock Acquisition Rights, the Stock Acquisition Rights for 2006 (for Directors), the Stock Acquisition Rights for 2006 (for Officers), the Stock Acquisition Rights for 2007, the Stock Acquisition Rights for 2008, the Stock Acquisition Rights for 2009, the Stock Acquisition Rights for 2010, the Stock Acquisition Rights for 2011, the Stock Acquisition Rights for 2012, the Stock Acquisition Rights for 2013, and the Stock Acquisition Rights for 2014 are hereinafter collectively referred to as the “Stock Acquisition Rights.”)

- (iii) Depository receipts for share certificates, etc.

The Target Company Shares pertaining to the American Depositary Shares (“ADSs”) deposited with Citibank, N.A., The Bank of New York Mellon, Convergex Depository, Inc., and JPMorgan Chase Bank, N.A. (collectively, the “Depository Banks”) represented by the American Depositary Receipts (“ADRs”) for the Target Company Shares issued in the U.S. by the Depository Banks: 4,350 yen per share

Note: According to the registration statements for ADRs (Form F-6EF) filed by Citibank, N.A., The Bank of New York Mellon, Convergex

Depository, Inc., and JPMorgan Chase Bank, N.A. with the U.S. Securities and Exchange Commission on November 4, 2008, September 17, 2010, October 15, 2014, and August 26, 2022, respectively (collectively, the “ADR Registration Statements”), ADRs have been issued for the shares of the Target Company, and according to the Target Company, the Target Company was not involved in the issuance of the ADRs. Since the Offeror aims to acquire all of the Target Company Shares through the Tender Offer, the Offeror is required to solicit offers to sell all share certificates, etc. issued by the Target Company pursuant to the provisions of Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended), and so the ADRs have been included in the class of share certificates, etc. to be purchased. However, as the ADRs are securities issued in the U.S., the Offeror has found it difficult in practice for the Offeror, which resides in Japan, to acquire the ADRs through the Tender Offer, which will be conducted outside the U.S., because there is no financial instruments business operator, etc. that is capable of handling the ADRs as a tender offer agent. Therefore, in the Tender Offer, the Offeror accepts only tenders of the Target Company Shares and the Stock Acquisition Rights and does not accept any tender of the ADRs, but the Offeror will accept tenders of the Target Company Shares for the ADSs represented by the ADRs. Thus, holders of ADRs who wish to tender their ADRs in the Tender Offer are requested to deliver them to the Depository Banks, withdraw the Target Company Shares pertaining to the ADSs represented by the ADRs in advance, and tender those Target Company Shares.

(4) Basis for the calculation of the Tender Offer Price

(i) Basis of calculation

(a) Common stock

In determining the Tender Offer Price, JICC conducted a multifaceted and comprehensive analysis of the Target Company’s business and financial status based on the Target Company’s disclosed financial information and other similar materials and the results of due diligence conducted with respect to the Target Company from mid-March 2023 to early May 2023 and then prepared a financial model reflecting that analysis. As a result, a tender offer price that secures a return on investment as required by JICC has been calculated. In light of the fact that the Target Company Shares are traded on a financial instruments exchange, JICC also referred to (i) the closing price (3,234 yen) of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 23, 2023, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer (June 26, 2023), and (ii) the simple average closing prices of the Target Company Shares over the preceding one-month period (from May 24, 2023 to June 23, 2023), three-month period (from March

24, 2023 to June 23, 2023), and six-month period (from December 26, 2022 to June 23, 2023) (3,334 yen, 3,183 yen, and 3,076 yen, respectively).

As JICC has determined the price by comprehensively taking into consideration the factors described above, JICC has not obtained a share valuation report from any third-party appraiser.

The Tender Offer Price per Target Company Share (4,350 yen) also represents (i) a premium of 34.51% on 3,234 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 23, 2023, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer (June 26, 2023), (ii) a premium of 30.47% on 3,334 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 36.66% on 3,183 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 41.42% on 3,076 yen, the simple average closing price for the preceding six-month period ending on that date.

(b) Stock Acquisition Rights

As of today, each exercise price per share of the Target Company in the Stock Acquisition Rights is less than the Tender Offer Price. Therefore, JICC decided that the Stock Acquisition Rights Tender Offer Price is to be an amount obtained by multiplying the difference between the Tender Offer Price of 4,350 yen and the exercise price per share of the Target Company of the Stock Acquisition Rights by 100, which is the number of common shares to be issued for each of those Stock Acquisition Rights. Specifically, the Target Company has determined that (i) the Stock Acquisition Rights Tender Offer Price for the First Stock Acquisition Rights is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the First Stock Acquisition Rights (1 yen) by 100, (ii) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2006 (for Directors) is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2006 (for Directors) (1 yen) by 100, (iii) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2006 (for Officers) is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2006 (for Officers) (1 yen) by 100, (iv) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2007 is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the

Stock Acquisition Rights for 2007 (1 yen) by 100, (v) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2008 is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2008 (1 yen) by 100, (vi) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2009 is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2009 (1 yen) by 100, (vii) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2010 is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2010 (1 yen) by 100, (viii) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2011 is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2011 (1 yen) by 100, (ix) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2012 is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2012 (1 yen) by 100, (x) the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2013 is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2013 (1 yen) by 100, and (xi) and the Stock Acquisition Rights Tender Offer Price for the Stock Acquisition Rights for 2014 is to be 434,900 yen, which is obtained by multiplying 4,349 yen as the difference of the Tender Offer Price and the exercise price per share of the Target Company with respect to the Stock Acquisition Rights for 2014 (1 yen) by 100.

Since JICC has determined the Stock Acquisition Rights Tender Offer Price as stated above, it has not obtained a valuation report from any third-party appraiser.

(c) ADRs

In light of the fact that ADRs represent ADSs deposited with the Depositary Banks and given that one ADS corresponds to one Target Company Share, the purchase price for one share of ADS represented by an ADR has been set at 4,350 yen, which is the same amount as the Tender Offer Price per share of the Target Company Shares.

(ii) Process of calculation

In determining the Tender Offer Price, JICC conducted a multifaceted and comprehensive analysis of the Target Company's business and financial status based on the Target Company's disclosed financial information and other similar materials and the results of due diligence conducted with respect to the Target Company from mid-March to early May 2023. In light of the fact that the Target Company Shares are traded on a financial instruments exchange, JICC also referred to (i) the closing price (3,234 yen) of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 23, 2023, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer (June 26, 2023), and (ii) the simple average closing prices of the Target Company Shares over the most recent one-month period, three-month period, and six-month period (3,334 yen, 3,183 yen, and 3,076 yen, respectively). In addition, by comprehensively taking into consideration the prospects for support of the Tender Offer by the Target Company and the likelihood of successfully completing the Tender Offer, and in light of discussions and negotiations with the Target Company, JICC decided to set the Tender Offer Price per Target Company Share at 4,350 yen, the Stock Acquisition Rights Tender Offer Price at 434,900 yen, and the Tender Offer Price per share of the ADRs represented by the ADRs at 4,350 yen on June 19, 2023. JICC has not obtained a share valuation report or a fairness opinion from a third-party appraiser given that (i) JICC has decided on the Tender Offer Price upon discussions and negotiations with the Target Company while taking into consideration the factors described above and (ii) JICC believes that sufficient consideration has been given to the interests of the minority shareholders of the Target Company since JICC and the Target Company have taken measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest (specifically, the measures set forth in "(i) Establishment of an Independent Special Committee at the Target Company and receipt of the SC Report from the Special Committee" through "(v) Setting minimum number of shares to be purchased satisfying majority of minority condition" in "(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" under "1. Purpose of the Tender Offer" above).

The Tender Offer Price per Target Company Share (4,350 yen) also represents (i) a premium of 34.51% on 3,234 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of June 23, 2023 (which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer), (ii) a premium of 30.47% on 3,334 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 36.66% on 3,183 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 41.42% on 3,076 yen, the simple average closing price for the preceding six-month period ending on that date.

(iii) Relationships with appraisers

As the Offeror did not obtain a share price valuation report or an opinion

regarding the fairness of the Tender Offer Price (fairness opinion) from any third-party appraiser when determining the Tender Offer Price, this matter is not applicable.

(5) Number of shares certificates, etc. to be purchased

Class of share certificates, etc.	Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
Common stock	207,797,073 (shares)	138,531,400 (shares)	- (shares)
Total	207,797,073 (shares)	138,531,400 (shares)	- (shares)

Note 1: If the total number of Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (138,531,400 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. is equal to or exceeds the minimum number of shares to be purchased (138,531,400 shares), the Offeror will purchase all the Tendered Shares Certificates, Etc.

Note 2: In the Tender Offer, the Offeror has not set a maximum number of shares to be purchased, so the number of shares to be purchased is stated as the maximum number of share certificates, etc. that can be acquired by the Offeror through the Tender Offer (207,797,073 shares). This maximum number is equal to the sum (208,611,300 shares) of the total number of issued shares of the Target Company as of March 31, 2023 (208,400,000 shares) as stated in the Target Company's Financial Results and (i) the Target Company Shares (6,100 shares) underlying the First Stock Acquisition Rights (61 stock acquisition rights), (ii) the Target Company Shares (3,800 shares) underlying the Stock Acquisition Rights for 2006 (for Directors) (38 stock acquisition rights), (iii) the Target Company Shares (800 shares) underlying the Stock Acquisition Rights for 2006 (for Officers) (8 stock acquisition rights), (iv) the Target Company Shares (4,600 shares) underlying the Stock Acquisition Rights for 2007 (46 stock acquisition rights), (v) the Target Company Shares (9,600 shares) underlying the Stock Acquisition Rights for 2008 (96 stock acquisition rights), (vi) the Target Company Shares (21,700 shares) underlying the Stock Acquisition Rights for 2009 (217 stock acquisition rights), (vii) the Target Company Shares (26,500 shares) underlying the Stock Acquisition Rights for 2010 (265 stock acquisition rights), (viii) the Target Company Shares (40,600 shares) underlying the Stock Acquisition Rights for 2011 (406 stock acquisition rights), (ix) the Target Company Shares (57,100 shares) underlying the Stock Acquisition Rights for 2012 (571 stock acquisition rights), (x) the Target Company Shares (18,000 shares) underlying the Stock Acquisition Rights for 2013 (180 stock acquisition rights), and (xi) the Target Company Shares (22,500 shares) underlying the Stock Acquisition Rights for 2014 (225 stock acquisition rights), in each case

remaining as of May 31, 2023 and as reported by the Target Company, less the treasury shares (814,227 shares) owned by the Target Company as of March 31, 2023 as set out in the Target Company’s Financial Results.

- Note 3: Shares less than one unit are also subject to the Tender Offer. If a right to request a purchase of shares less than one unit is exercised by the Target Company’s shareholders in accordance with the Companies Act, the Target Company may purchase its own shares less than one unit during the Tender Offer Period in accordance with procedures required by laws and regulations.
- Note 4: The Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.
- Note 5: The figures in “Number of shares to be purchased” and “Minimum number of shares to be purchased” above are tentative figures that rely on information as of today. Due to factors including fluctuations in the number of treasury shares held by the Target Company after the same date, actual figures in the Tender Offer may differ from the figures above. The “Number of shares to be purchased” and “Minimum number of shares to be purchased” will be finally determined prior to the commencement of the Tender Offer based on the latest information available at the time of the commencement of the Tender Offer.

(6) Changes to share ownership percentages due to the tender offer

Number of voting rights represented by share certificates, etc. held by the Offeror prior to the tender offer	-	Ownership percentage of share certificates, etc. prior to the tender offer: -%
Number of voting rights represented by share certificates, etc. held by special related parties prior to the tender offer	Undetermined	Ownership percentage of share certificates, etc. prior to the tender offer: Undetermined
Number of voting rights represented by share certificates, etc. held by the Offeror after the tender offer	2,077,970	Ownership percentage of share certificates, etc. after the tender offer: 100%
Number of voting rights represented by share certificates, etc. held by special related parties after the tender offer	0	Ownership percentage of share certificates, etc. after the tender offer: 0.00%
Total number of voting rights of all shareholders of the Target Company	2,074,748	

- Note 1: The “number of voting rights represented by share certificates, etc. held by special related parties prior to the tender offer” and the “ownership percentage of share certificates, etc. prior to the tender offer” are undetermined as of today, but will be disclosed before the commencement of the Tender Offer after an investigation. Since the share certificates, etc. held by each special related party are also subject

to the Tender Offer, the “number of voting rights represented by share certificates, etc. held by special related parties after the tender offer” will be 0.

Note 2: The “Number of voting rights represented by share certificates, etc. held by the Offeror after the tender offer” is the number of voting rights represented by the number of shares to be purchased (207,797,073 shares) in the Tender Offer stated in “(5) Number of share certificates, etc. to be purchased” above.

Note 3: The “Total number of voting rights of all shareholders of the Target Company” is the number of voting rights of all shareholders as of March 31, 2023 as stated in the Target Company’s Securities Report (based on the number of shares per unit being 100 shares). However, since shares less than one unit and the Stock Acquisition Rights are also subject to the Tender Offer, when calculating the “Ownership percentage of share certificates, etc. prior to the tender offer” and the “Ownership percentage of share certificates, etc. after the tender offer,” 2,077,970 voting rights represented by the Total Number of Shares After Considering Potential Shares is used as a denominator.

Note 4: The “Ownership percentage of share certificates, etc. prior to the tender offer” and the “Ownership percentage of share certificates, etc. after the tender offer” have been rounded to the second decimal place.

(7) Purchase price (scheduled)

903,917,267,550 yen

Note: The “Purchase price” above has been calculated by multiplying the number of shares to be purchased in the Tender Offer stated in “(5) Number of share certificates, etc. to be purchased” above by the Tender Offer Price (4,350 yen) and is therefore subject to change if the actual number of shares to be purchased in the Tender Offer is altered due to fluctuation, etc. hereafter.

(8) Other conditions and methods of purchase

(i) Other conditions and methods of purchase

As with “(2) Schedule” above, the Offeror will promptly announce the “method of settlement,” the “date of public notice of commencement of the Tender Offer,” and “other conditions and methods of purchase” as soon as these details are determined.

(ii) Conditions set forth in each item of Article 27-13, Paragraph 4 of the Act and the details thereof

If the total number of Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (138,531,400 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of the Tendered Share Certificates, Etc. is equal to or exceeds the

minimum number of shares to be purchased (138,531,400 shares), the Offeror will purchase all the Tendered Share Certificates, Etc.

(iii) Other matters

This press release has been prepared for the purpose of informing the public of the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell, or making an offer to purchase, any securities. If shareholders or Stock Acquisition Right Holders wish to make an offer to sell their shares in the Tender Offer, they should first read the Tender Offer Explanation Statement for the Tender Offer and offer their shares or stock options for sale at their own discretion. This press release neither constitutes, nor constitutes a part of, an offer to sell or purchase, or a solicitation of an offer to sell or purchase, any securities; neither this press release (or a part thereof) nor its distribution may be interpreted to be the basis of any agreement in relation to the Tender Offer; and this press release may not be relied on at the time of entering into any such agreement.

The shares of the Target Company, which is a company incorporated in Japan, are subject to the Tender Offer. The Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the laws of Japan, which may differ from the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; hereinafter the same) and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. Financial information contained in this press release has been prepared in accordance with international accounting standards, which may be materially different from the generally accepted accounting standards in the U.S. or other countries. In addition, as the Offeror is a legal entity established outside the U.S. and all or some of its officers are non-U.S. residents, it may become difficult to exercise rights or requests which would be claimed under U.S. securities laws. Furthermore, it may not be possible to commence legal proceedings against the legal entity established outside the U.S. and its officers in a non-U.S. court for violations of U.S. securities laws. Furthermore, U.S. courts may not necessarily have jurisdiction over legal entities and their respective subsidiaries and affiliates outside the U.S.

Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in the Japanese language. If all or any part of a document relating to the Tender Offer is prepared in the English language and there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation will prevail.

This press release includes statements that fall under a “forward-looking statement” defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Due to the known and unknown risks and uncertainties, the actual results might differ significantly from the statements that are implicitly or explicitly

forward-looking. The Offeror and its affiliates do not guarantee that the events portrayed in such implicit and explicit forward-looking statements will materialize. The “forward-looking statements” in this press release were prepared based on the information obtained by the Offeror as of the date hereof, and unless required by law, the Offeror and its affiliates are not obligated to amend or revise such forward-looking statements to reflect future matters and situations.

The financial advisors to the Offeror and the Target Company as well as the tender offer agent (including their respective affiliates) may, within their ordinary course of business, engage during the Tender Offer Period in the purchase of, or an arrangement to purchase, Target Company Shares for their own account or for their customers’ accounts outside the Tender Offer in accordance with Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, to the extent permitted under Japanese securities regulations and other applicable laws and regulations. Such purchases, etc. may be made at the market price through market transactions or at a price determined by negotiation outside of the market. In the event that information regarding such purchases, etc. is disclosed in Japan, such information will also be disclosed in a similar manner in the U.S.

If a right to request the purchase of shares less than one unit is exercised by shareholders in accordance with the Companies Act, the Target Company may purchase its own shares less than one unit during the Tender Offer Period in accordance with procedures required by laws and regulations.

3. Post-tender offer policy, etc. and future outlook

For the policy, etc. after the Tender Offer, please refer to the section above titled “(iv) Management policy after the Tender Offer” under “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” of “1. Purpose of the Tender Offer.”

4. Other matters

(1) Agreements between the Offeror and the Target Company or its officers, and the contents thereof

(i) Expressions of Support for the Tender Offer

According to the Target Company’s Press Release, at the board of directors meeting of the Target Company held today, a resolution was adopted that if the Tender Offer commences, the position of the Target Company as of June 26, 2023 is that it will express an opinion in support of the Tender Offer and that it will recommend that the Target Company’s shareholders and Stock Acquisition Right Holders tender their shares and stock acquisition rights, respectively, in the Tender Offer, and that the holders of ADRs tender their shares in the Tender Offer upon delivering their ADRs to the depositary bank and withdrawing the Target Company Shares pertaining to the ADSs represented by those ADRs if the Tender Offer is commenced.

For details of the decision-making process of the Target Company’s board of directors, please refer to “(iv) Approval of all directors who have no interest in the Target Company and no objection from all corporate auditors” in “(3) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” under “1. Purpose of the Tender Offer” above.

(ii) The Tender Offer Agreement

Please refer to “(6) Matters relating to material agreements regarding the Tender Offer” in “1. Purpose of the Tender Offer” above.

(2) Other information considered necessary for investors to decide whether to tender their shares in the tender offer

(i) Release of “Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (under IFRS)”

On April 27, 2023, the Target Company released the Target Company’s Financial Results. The summary of the Target Company’s Financial Results based on that release is as follows. The details of the Target Company’s Financial Results have not been reviewed by an audit firm as provided for in Article 193-2, Paragraph 1 of the Act. In addition, the outline below is a partial excerpt of the information released by the Target Company, and for details, please refer to the release concerned.

(a) Profits and losses (consolidated)

Fiscal Year	Fiscal Year Ended March 31, 2023
Revenue	408,880 million yen
Cost of sales	265,792 million yen
Selling, general, and administrative expenses	109,847 million yen
Other operating income	7,071 million yen
Other operating expenses	11,029 million yen
Profit attributable to the shareholders of the parent company	15,784 million yen

(b) Profits and losses per share (consolidated)

Fiscal Year	Fiscal Year Ended March 31, 2023
Basic earnings per share attributable to the shareholders of the parent company	75.56 yen
Diluted earnings per share attributable to the shareholders of the parent company	75.47 yen
Dividends per share	70.00 yen

- (ii) Release of “Notice Regarding Revisions to Dividend for the Fiscal Year Ended March 2024 (No Dividend)”

According to the “Notice Regarding Revisions to Dividend for the Fiscal Year Ended March 2024 (No Dividend)” released by the Target Company on June 26, 2023, at the board of directors meeting of the Target Company held today, it was resolved that the Target Company will not pay out any dividend of surplus with a record date of September 30, 2023 (the end of the second quarter) and March 31, 2024 (the end of the fiscal year). For details, please refer to the said release.

JICC’s financial advisors are JPMorgan Securities Japan Co., Ltd. and Nomura Securities Co., Ltd and JICC’s legal advisors are Mori Hamada & Matsumoto and Davis Polk & Wardwell LLP.