

July 6, 2023

Company Name	JSR Corporation
Name of Representative	Eric Johnson, Representative Director, CEO and President (Code No.: 4185 TSE Prime)
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**(Updated) Notice Regarding Partial Amendments to
"Announcement of Opinion on Scheduled Commencement of the Tender Offer and Recommendation for our
Shareholders to Tender their Shares in the Tender Offer to be Conducted by JICC-02 Co., Ltd. for the Shares in JSR
Corporation"**

JSR Corporation (the "**Company**") hereby announces that due to the discovery of some errors, amendments need to be made to certain parts of the "Announcement of Opinion on Scheduled Commencement of the Tender Offer and Recommendation for our Shareholders to Tender their Shares in the Tender Offer to be Conducted by JICC-02 Co., Ltd. for the Shares in JSR Corporation" announced on June 26, 2023 as set forth below. The amended parts are underlined.

Particulars

(Before Amendment)

[Omitted]

According to the "Announcement Regarding Planned Commencement of Tender Offer for JSR Corporation (Securities Code: 4185)" (the "Tender Offeror Press Release") released by the Tender Offeror today, it may take a certain period of time to complete procedures and responses required under domestic and foreign competition laws (based on the current analysis, the procedures shall be required in Japan, China, South Korea, and Taiwan, and the Tender Offeror believes that the procedures may be required in Vietnam, Israel and Singapore. However, there is a possibility that the decision on whether or not the procedures are necessary may change depending on further confirmation of the facts regarding the Company's business or assets and the views of the relevant authorities. The same shall apply hereinafter.)) and foreign investment control laws and regulations (based on the current analysis, the Tender Offeror believes that the procedures may be required in the Netherlands. However, the decision on whether or not the procedures are necessary may change depending on further confirmation of the facts regarding the Company's business or assets and the views of the relevant authorities. The same shall apply hereinafter.). Therefore, the Tender Offeror plans to commence the Tender Offer within 10 business days from the date on which the subject procedures and responses have been completed and other conditions precedent set out in the Tender Offer Agreement (as defined in "(1) Overview of the Tender Offer" in "2. Grounds and Reasons for Opinion" under "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer", and the same shall apply hereinafter.) (Note 1) (the "Conditions Precedent") are all fulfilled or waived at the discretion of the Tender Offeror (Note 2), which date will be separately notified in advance to the Company by the Tender Offeror. As of today, based on discussions with local law firms regarding the procedures under applicable competition laws and regulations and investment control laws and regulations in jurisdictions outside of Japan, the Tender Offeror aims to commence the Tender Offer on late December, 2023. However, as it is difficult to accurately predict the time period required for such procedures, the details of the schedule of the Tender Offer will be notified as soon as they are determined.

(Note 1) (i) All clearances (Note 3) have been obtained; (ii) the Board of Directors of the Company, at the time of the announcement of the Tender Offer and at the commencement of the Tender Offer, by unanimous vote of all directors, has resolved and expressed an opinion supporting the Tender Offer and to recommend that the shareholders of the Company Shares and the holders of the Company Share Options tender their Company Shares and the holders of the Company ADRs deliver the Company ADRs to the Depository Banks in advance, receive the Company Shares represented by the Company ADRs before tendering for the Tender Offer and tender their Company Shares if the Tender Offer commences (the "**Endorsement Opinion**"), and the Endorsement Opinion has not been changed or withdrawn; (iii) The Special Committee (as defined in "(3) Process and Reasons for Decision-Making at the Company" in "2. Grounds and Reasons for Opinion" in "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer") established in connection with the Tender Offer unanimously reported to the Board of Directors of the Company at the time of the announcement of the Tender Offer and at the time of the commencement of the Tender Offer that it is appropriate to express an opinion of approval of the Tender Offer, and such report has not been changed or withdrawn; (iv) (a) there is no judgment, etc. of any governmental agency, etc. restricting or prohibiting the Transaction (as defined in "(1) Overview of the Tender Offer" in "2. Grounds and Reasons for Opinion" in "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer".) and (b) no petition, lawsuit or proceeding is pending before any governmental agency, etc. seeking to restrict or prohibit the Transaction, (v) the obligations to be performed or observed by the Company under the Tender Offer Agreement (Note 4) have been performed or observed in material respects; (vi) each of the representations and warranties by the Company (Note 5) is true and correct in material respects; (vii) no undisclosed material facts relating to the Company exist, and the Company has delivered to the Tender Offeror a written statement attesting to such fact; (viii) no material adverse effect has been discovered or occurred since the date of execution of the Tender Offer Agreement; (ix) no event of non-loanability (Note 6) has occurred; (x) no event under which, if the Tender Offer had commenced, the withdrawal, etc. of the Tender Offer should be permitted pursuant to the Article 27-11, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments.) has occurred since the date of execution of the Tender Offer Agreement (provided however, excluding cases where the relevant events are resolved by the day before the commencement of the Tender Offer without adversely affecting the business, financial condition, assets, liabilities, operating results or cash flow of the Company Group (as defined in "(i) Background and Purpose of the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Tender Offeror to Conduct the Tender Offer, and Management Policy Following the Tender Offer" in "2. Grounds and Reasons for Opinion" in "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer") as a whole and the relevant events are reasonably expected not to occur again); and (xi) it is reasonably certain that the balance of the deposit accounts of the Company and its subsidiaries as of the end of the tender offer period of the Tender Offer will total more than 74 billion yen. For details of the Tender Offer Agreement, please refer to "IV. Matters Relating to Material Agreements Regarding the Tender Offer" below.

[Omitted]

In light of these circumstances, the Company resolved at the above Board of Directors meeting to at the time of the tender offer request to the Special Committee (as described in "(3) Process and Reasons for Decision-Making at the Company" of "2. Grounds and Reasons for Opinion" of "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer", and the same shall apply hereinafter.) to consider whether or not there is any change in the opinion stated in the report submitted to the Board of Directors dated June 26, 2023 (the "**SC Report**"), and if there are none, to report as such to the Board of Directors, and if there are any change, to report the revised opinion to the Board of Directors. The Company has also resolved to express its opinion on the Tender Offer at the time of the commencement of the Tender Offer taking into consideration such revised opinion stated by the Special Committee.

[Omitted]

(After Amendment)

[Omitted]

According to the "Announcement Regarding Planned Commencement of Tender Offer for JSR Corporation (Securities Code: 4185)" (the "Tender Offeror Press Release") released by the Tender Offeror today, it may take a certain period of time to complete procedures and responses required under domestic and foreign competition laws (based on the current analysis, the procedures shall be required in Japan, China, South Korea, and Taiwan, and the Tender Offeror believes that the procedures may be required in Vietnam, Israel and Singapore. However, there is a possibility that the decision on whether or not the procedures are necessary may change depending on further confirmation of the facts regarding the Company's business or assets and the views of the relevant authorities. The same shall apply hereinafter.) and foreign investment control laws and regulations (based on the current analysis, the Tender Offeror believes that the procedures may be required in Belgium. However, the decision on whether or not the procedures are necessary may change depending on further confirmation of the facts regarding the Company's business or assets and the views of the relevant authorities. The same shall apply hereinafter.). Therefore, the Tender Offeror plans to commence the Tender Offer within 10 business days from the date on which the subject procedures and responses have been completed and other conditions precedent set out in the Tender Offer Agreement (as defined in "(1) Overview of the Tender Offer" in "2. Grounds and Reasons for Opinion" under "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer", and the same shall apply hereinafter.) (Note 1) (the "Conditions Precedent") are all fulfilled or waived at the discretion of the Tender Offeror (Note 2), which date will be separately notified in advance to the Company by the Tender Offeror. As of today, based on discussions with local law firms regarding the procedures under applicable competition laws and regulations and investment control laws and regulations in jurisdictions outside of Japan, the Tender Offeror aims to commence the Tender Offer in late December, 2023. However, as it is difficult to accurately predict the time period required for such procedures, the details of the schedule of the Tender Offer will be notified as soon as they are determined. Also, any change in the scheduled date of the commencement of the Tender Offer will be immediately notified.

(Note 1) (i) All clearances (Note 3) have been obtained; (ii) the Board of Directors of the Company, at the time of the announcement of the Tender Offer and at the commencement of the Tender Offer, by unanimous vote of all directors, has resolved and expressed an opinion supporting the Tender Offer and to recommend that the shareholders of the Company Shares and the holders of the Company Share Options tender their Company Shares and the holders of the Company ADRs deliver the Company ADRs to the Depository Banks in advance, receive the Company Shares represented by the Company ADRs before tendering for the Tender Offer and tender their Company Shares if the Tender Offer commences (the "**Endorsement Opinion**"), and the Endorsement Opinion has not been changed or withdrawn; (iii) The Special Committee (as defined in "(3) Process and Reasons for Decision-Making at the Company" in "2. Grounds and Reasons for Opinion" in "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer") established in connection with the Tender Offer unanimously reported to the Board of Directors of the Company at the time of the announcement of the Tender Offer and at the time of the commencement of the Tender Offer that it is appropriate to express an opinion of approval of the Tender Offer, and such report has not been changed or withdrawn; (iv) (a) there is no judgment, etc. of any governmental agency, etc. restricting or prohibiting the Transaction (as defined in "(1) Overview of the Tender Offer" in "2. Grounds and Reasons for Opinion" in "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer".) and (b) no petition, lawsuit or proceeding is pending before any governmental agency, etc. seeking to restrict or prohibit the Transaction, (v) the obligations to be performed or observed by the Company under the Tender Offer Agreement (Note 4) have been performed or observed in material respects; (vi) each of the representations and warranties by the Company (Note 5) is true and correct in material respects; (vii) no undisclosed material facts relating to the Company exist, and the Company has delivered to the Tender Offeror a written statement attesting to such fact; (viii) no material adverse effect has been discovered or occurred since the date of execution of the Tender Offer Agreement; (ix) no event of non-loanability (Note 6) has occurred; (x) no event under which, if the Tender Offer had commenced, the withdrawal, etc. of the Tender Offer should be permitted

pursuant to the Article 27-11, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments.) has occurred since the date of execution of the Tender Offer Agreement (provided however, excluding cases where the relevant events are resolved by the day before the commencement of the Tender Offer without adversely affecting the business, financial condition, assets, liabilities, operating results or cash flow of the Company Group (as defined in "(i) Background and Purpose of the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Tender Offeror to Conduct the Tender Offer, and Management Policy Following the Tender Offer" in "2. Grounds and Reasons for Opinion" in "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer") as a whole and the relevant events are reasonably expected not to occur again); and (xi) it is reasonably certain that the balance of the deposit accounts of the Company and its subsidiaries as of the end of the tender offer period of the Tender Offer will total not less than 74 billion yen. For details of the Tender Offer Agreement, please refer to "IV. Matters Relating to Material Agreements Regarding the Tender Offer" below.

[Omitted]

In light of these circumstances, the Company resolved at the above Board of Directors meeting that, as described in "(3) Process and Reasons for Decision-Making at the Company" of "2. Grounds and Reasons for Opinion" of "III. Details of, Grounds and Reasons for, Opinion of the Tender Offer", the Company shall, at the time of the commencement of the Tender Offer, request to the Special Committee to consider whether or not there is any change in the opinion stated in the report submitted to the Board of Directors dated June 26, 2023 (the "**SC Report**"), and if there are none, to report as such to the Board of Directors, and if there are any change, to report the revised opinion to the Board of Directors. The Company has also resolved to express its opinion on the Tender Offer at the time of the commencement of the Tender Offer taking into consideration such revised opinion stated by the Special Committee.

[Omitted]

III. Details of, Grounds and Reasons for, Opinion of the Tender Offer

2. Grounds and Reasons for Opinion

(1) Overview of the Tender Offer

(Before Amendment)

[Omitted]

In addition to this, as mentioned above, several members who have invested in INCJ Corporation ("**INCJ**"), in which JIC owns all shares and which has a similar mission to that of JICC, are also participating in JICC, and has accumulated knowledge through investment experience in proximate areas, domestic industry restructuring projects, and the execution of large-scale and complex projects, in addition to its broad domestic and international public-private network.

[Omitted]

(After Amendment)

[Omitted]

In addition to this, several members with investment experiences in INCJ, Ltd. ("**INCJ**"), in which JIC owns all shares and which has a similar mission to that of JICC, are also participating in JICC, and has accumulated knowledge through investment experience in proximate areas, domestic industry restructuring projects, and the execution of large-scale and complex projects, in addition to its broad domestic and international public-private network.

[Omitted]

(2) Background, Purpose and Decision-Making Process Leading to the Tender Offeror to Conduct the Tender Offer, and Management Policy Following the Tender Offer

(i) Background and Purpose of the Tender Offer

① The Company's Business Environment, etc.

(Before Amendment)

The 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 Company's growth strategy. In October 1970, the 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 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.

[Omitted]

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 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 Company still have a low market share, such as process materials and packaging materials for 5G technology, and there are also many semiconductor materials that the Company have 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 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.

[Omitted]

(After Amendment)

The 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 Company's growth strategy. In October 1970, the 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. Following the subsequent reorganization of the Tokyo Stock Exchange, the Company is listed on the Tokyo Stock Exchange Prime Market as of today. The 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.

[Omitted]

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 Company believes that domestic

semiconductor material manufacturers that have not yet experienced sufficient mergers and acquisitions must further strengthen their competitiveness. Furthermore, there are semiconductor materials in which the Company still have a low market share, such as process materials and packaging materials for 5G technology, and there are also many semiconductor materials that the Company have 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 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.

[Omitted]

② Background to, and Purpose of, the Tender Offer; Decision-Making Process to Conduct the Tender Offer (Before Amendment)

[Omitted]

Based on the above considerations, on June 1, 2023, JICC made its first proposal (the "**First Proposal**") in writing to the Company setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,200 yen (4,200 yen is the price after adding a premium of equivalent to 24.81% (rounded to two decimal places. The same shall apply hereinafter in the calculation of the premium rate.) to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on May 31, 2023 (being one (1) business day immediately preceding the proposal date of the Tender Offer) of 3,365 yen, the price after adding a premium of 31.66% to the simple average of the closing price of the shares for the past one (1) month until the said date of 3,190 yen (rounded to the nearest whole number. The same shall apply hereinafter in the calculation of the simple average of the closing price.), the price after adding a premium of 34.27% to the simple average of the closing price for the past three (3) months until the said date of 3,128 yen and, the price after adding a premium of 39.67% to the simple average of the closing price for the past six (6) months until the said date of 3,007 yen), the Tender Offer Price per the Company Share Options (the "**Company Share Options Price**") at 419,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,200 yen. In response to the First Proposal, JICC received a request from the Company on June 5, 2023 to increase the Tender Offer Price, on the grounds that the Tender Offer Price in the First Proposal did not sufficiently reflect the fair value of the Company, and on June 6, 2023, JICC made its second proposal (the "**Second Proposal**") in writing to the Company setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,285 yen (4,285 yen is the price after adding a premium of 26.85% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 5, 2023 (being one (1) business day immediately preceding the proposal date of the Tender Offer) of 3,378 yen, the price after adding a premium of 33.16% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,218 yen, the price after adding a premium of 36.42% of the simple average of the closing price for the past three (3) months until the said date of 3,141 yen and, the price after adding a premium of 41.98% of the simple average of the closing price for the past six (6) months until the said date of 3,018 yen), the Tender Offer Price per the Company Share Options at 428,400 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,285 yen. In response to the Second Proposal, JICC received a request from the Company on June 8, 2023 to increase the Tender Offer Price, on the grounds that the Tender Offer Price in the Second Proposal still did not fully reflect the fair value of the Company, and on June 9, 2023, JICC made its third proposal (the "**Third Proposal**") in writing to the Company setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,340 yen (4,340 yen is the price after adding a premium of 35.71% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 8, 2023 (being one (1) business day immediately preceding the proposal date of the Tender Offer

Price) of 3,198 yen, the price after adding a premium of 34.10% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,236 yen, the price after adding a premium of 37.81% of the simple average of the closing price for the past three (3) months until the said date of 3,149 yen and, the price after adding a premium of 43.33% of the simple average of the closing price for the past six (6) months until the said date of 3,028yen), the Company Share Options Price at 433,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,340 yen. In response to the Third Proposal, JICC received a request from the Company on June 9, 2023 to discuss the economic terms of the Tender Offer between JICC and the Company and on June 15, 2023, JICC held discussions with the Company regarding economic conditions, and held a question-and-answer session regarding the background of the First Proposal through the Third Proposal and an exchange of opinions regarding the Company's growth strategy and management issues, etc. After the discussions, JICC received a request from the Company to raise the Tender Offer Price, and on June 16, 2023, JICC made its final proposal (the "**Final Proposal**") in writing to the Company setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,350 yen (4,350 yen is the price after adding a premium of 28.77% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 15, 2023 (being one (1) business day immediately preceding the proposal date of the Tender Offer Price) of 3,378 yen, the price after adding a premium of 32.05% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,294 yen, the price after adding a premium of 37.59% of the simple average of the closing price for the past three (3) months until the said date of 3,162 yen and, the price after adding a premium of 42.79% of the simple average of the closing price for the past six (6) months until the said date of 3,046yen), the Company Share Options Price at 434,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,350 yen, based on the request of the Company and the negotiation held on June 15, 2023 between JICC and the Company. On June 19, 2023, JICC was informed by the Company that the Company would accept the Tender Offer Price in the Final Proposal.

[Omitted]

(After Amendment)

[Omitted]

Based on the above considerations, on June 1, 2023, JICC made its first proposal (the "**First Proposal**") in writing to the Company setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,200 yen (4,200 yen is the price after adding a premium of equivalent to 24.81% (rounded to two decimal places. The same shall apply hereinafter in the calculation of the premium rate.) to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on May 31, 2023 (being one (1) business day immediately preceding the day on which the First Proposal is made) of 3,365 yen, the price after adding a premium of 31.66% to the simple average of the closing price of the shares for the past one (1) month until the said date of 3,190 yen (rounded to the nearest whole number. The same shall apply hereinafter in the calculation of the simple average of the closing price.), the price after adding a premium of 34.27% to the simple average of the closing price for the past three (3) months until the said date of 3,128 yen and, the price after adding a premium of 39.67% to the simple average of the closing price for the past six (6) months until the said date of 3,007 yen), the Tender Offer Price per the Company Share Options (the "**Company Share Options Price**") at 419,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,200 yen. In response to the First Proposal, JICC received a request from the Company on June 5, 2023 to increase the Tender Offer Price, on the grounds that the Tender Offer Price in the First Proposal did not sufficiently reflect the fair value of the Company, and on June 6, 2023, JICC made its second proposal (the "**Second Proposal**") in writing to the Company setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,285 yen (4,285 yen is the price after adding a premium of 26.85% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 5, 2023 (being one (1) business day immediately preceding the day on which the Second Proposal is made) of 3,378 yen, the price after adding a premium of 33.16% of the simple average of the closing

price of the shares for the past one (1) month until the said date of 3,218 yen, the price after adding a premium of 36.42% of the simple average of the closing price for the past three (3) months until the said date of 3,141 yen and, the price after adding a premium of 41.98% of the simple average of the closing price for the past six (6) months until the said date of 3,018 yen), the Tender Offer Price per the Company Share Options at 428,400 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,285 yen. In response to the Second Proposal, JICC received a request from the Company on June 8, 2023 to increase the Tender Offer Price, on the grounds that the Tender Offer Price in the Second Proposal still did not fully reflect the fair value of the Company, and on June 9, 2023, JICC made its third proposal (the "**Third Proposal**") in writing to the Company setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,340 yen (4,340 yen is the price after adding a premium of 35.71% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 8, 2023 (being one (1) business day immediately preceding the day on which the Third Proposal is made) of 3,198 yen, the price after adding a premium of 34.10% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,236 yen, the price after adding a premium of 37.81% of the simple average of the closing price for the past three (3) months until the said date of 3,149 yen and, the price after adding a premium of 43.33% of the simple average of the closing price for the past six (6) months until the said date of 3,028yen), the Company Share Options Price at 433,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,340 yen. In response to the Third Proposal, JICC received a request from the Company on June 9, 2023 to discuss the economic terms of the Tender Offer between JICC and the Company and on June 15, 2023, JICC held discussions with the Company regarding economic conditions, and held a question-and-answer session regarding the background of the First Proposal through the Third Proposal and an exchange of opinions regarding the Company's growth strategy and management issues, etc. After the discussions, JICC received a request from the Company to raise the Tender Offer Price, and on June 16, 2023, JICC made its final proposal (the "**Final Proposal**") in writing to the Company setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,350 yen (4,350 yen is the price after adding a premium of 28.77% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 15, 2023 (being one (1) business day immediately preceding the day on which the Final Proposal is made) of 3,378 yen, the price after adding a premium of 32.05% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,294 yen, the price after adding a premium of 37.59% of the simple average of the closing price for the past three (3) months until the said date of 3,162 yen and, the price after adding a premium of 42.79% of the simple average of the closing price for the past six (6) months until the said date of 3,046yen), the Company Share Options Price at 434,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,350 yen, based on the request of the Company and the negotiation held on June 15, 2023 between JICC and the Company. On June 19, 2023, JICC was informed by the Company that the Company would accept the Tender Offer Price in the Final Proposal.

[Omitted]

(3) Process and Reasons for Decision-Making at the Company

(ii) Process of Examination and Negotiation

(Before Amendment)

[Omitted]

Specifically, on June 1, 2023, the Company received from JICC the First Proposal in writing setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,200 yen (4,200 yen is the price after adding a premium of 24.81% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on May 31, 2023 (being one (1) business day immediately preceding the proposal date of the Tender Offer) of 3,365 yen, the price after adding a premium of 31.66% of the simple average of the closing price of the shares for the past one (1)

month until the said date of 3,190 yen, the price after adding a premium of 34.27% of the simple average of the closing price for the past three (3) months until the said date of 3,128 yen and, the price after adding a premium of 39.67% of the simple average of the closing price for the past six (6) months until the said date of 3,007 yen.), the Company Share Options Price at 419,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,200 yen.

In response to the First Proposal, on June 5, 2023, the Company requested JICC to increase the Tender Offer Price on the grounds that the Tender Offer Price in the First Proposal did not sufficiently reflect the fair value of the Company. On June 6, 2023, the Company received from JICC the Second Proposal in writing setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,285 yen (4,285 yen is the price after adding a premium of 26.85% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 5, 2023 (being one (1) business day immediately preceding the proposal date of the Tender Offer Price) of 3,378 yen, the price after adding a premium of 33.16% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,218 yen, the price after adding a premium of 36.42% of the simple average of the closing price for the past three (3) months until the said date of 3,141 yen and, the price after adding a premium of 41.98% of the simple average of the closing price for the past six (6) months until the said date of 3,018yen.), the Company Share Options Price at 428,400 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,285 yen. In response to the Second Proposal, on June 8, 2023, the Company requested JICC to increase the Tender Offer Price on the grounds that the Tender Offer Price in the Second Proposal still did not fully reflect the fair value of the Company. On June 9, 2023, the Company received from JICC the Third Proposal in writing setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,340 yen (4,340 yen is the price after adding a premium of 35.71% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 8, 2023 (being one (1) business day immediately preceding the proposal date of the Tender Offer Price) of 3,198 yen, the price after adding a premium of 34.10% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,236 yen, the price after adding a premium of 37.81% of the simple average of the closing price for the past three (3) months until the said date of 3,149 yen and, the price after adding a premium of 43.33% of the simple average of the closing price for the past six (6) months until the said date of 3,028yen.), the Company Share Options Price at 433,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,340 yen. In response to the Third Proposal, on June 9, 2023, the Company requested JICC to discuss the economic terms of the Tender Offer between JICC and the Company, and on June 15, 2023, the Company and JICC held discussions regarding economic conditions, and held a question-and-answer session regarding the background of the First Proposal through the Third Proposal and an exchange of opinions regarding the Company's growth strategy and management issues, etc. On June 16, 2023, the Company received from JICC the Final Proposal in writing setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,350 yen (4,350 yen is the price after adding a premium of 28.77% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 15, 2023 (being one (1) business day immediately preceding the proposal date of the Tender Offer Price) of 3,378 yen, the price after adding a premium of 32.05% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,294 yen, the price after adding a premium of 37.59% of the simple average of the closing price for the past three (3) months until the said date of 3,162 yen and, the price after adding a premium of 42.79% of the simple average of the closing price for the past six (6) months until the said date of 3,046yen), the Company Share Options Price at 434,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,350 yen. On June 19, 2023, the Company informed JICC that the Company would accept the Tender Offer Price in the Final Proposal.

(After Amendment)

[Omitted]

Specifically, on June 1, 2023, the Company received from JICC the First Proposal in writing setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,200 yen (4,200 yen is the price after adding a

premium of 24.81% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on May 31, 2023 (being one (1) business day immediately preceding the day on which the First Proposal is made) of 3,365 yen, the price after adding a premium of 31.66% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,190 yen, the price after adding a premium of 34.27% of the simple average of the closing price for the past three (3) months until the said date of 3,128 yen and, the price after adding a premium of 39.67% of the simple average of the closing price for the past six (6) months until the said date of 3,007 yen.), the Company Share Options Price at 419,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,200 yen.

In response to the First Proposal, on June 5, 2023, the Company requested JICC to increase the Tender Offer Price on the grounds that the Tender Offer Price in the First Proposal did not sufficiently reflect the fair value of the Company. On June 6, 2023, the Company received from JICC the Second Proposal in writing setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,285 yen (4,285 yen is the price after adding a premium of 26.85% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 5, 2023 (being one (1) business day immediately preceding the day on which the Second Proposal is made) of 3,378 yen, the price after adding a premium of 33.16% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,218 yen, the price after adding a premium of 36.42% of the simple average of the closing price for the past three (3) months until the said date of 3,141 yen and, the price after adding a premium of 41.98% of the simple average of the closing price for the past six (6) months until the said date of 3,018yen.), the Company Share Options Price at 428,400 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,285 yen. In response to the Second Proposal, on June 8, 2023, the Company requested JICC to increase the Tender Offer Price on the grounds that the Tender Offer Price in the Second Proposal still did not fully reflect the fair value of the Company. On June 9, 2023, the Company received from JICC the Third Proposal in writing setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,340 yen (4,340 yen is the price after adding a premium of 35.71% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 8, 2023 (being one (1) business day immediately preceding the day on which the Third Proposal is made) of 3,198 yen, the price after adding a premium of 34.10% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,236 yen, the price after adding a premium of 37.81% of the simple average of the closing price for the past three (3) months until the said date of 3,149 yen and, the price after adding a premium of 43.33% of the simple average of the closing price for the past six (6) months until the said date of 3,028yen.), the Company Share Options Price at 433,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,340 yen. In response to the Third Proposal, on June 9, 2023, the Company requested JICC to discuss the economic terms of the Tender Offer between JICC and the Company, and on June 15, 2023, the Company and JICC held discussions regarding economic conditions, and held a question-and-answer session regarding the background of the First Proposal through the Third Proposal and an exchange of opinions regarding the Company's growth strategy and management issues, etc. On June 16, 2023, the Company received from JICC the Final Proposal in writing setting the Tender Offer Price per share of the Company Shares in the Tender Offer at 4,350 yen (4,350 yen is the price after adding a premium of 28.77% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on June 15, 2023 (being one (1) business day immediately preceding the day on which the Final Proposal is made) of 3,378 yen, the price after adding a premium of 32.05% of the simple average of the closing price of the shares for the past one (1) month until the said date of 3,294 yen, the price after adding a premium of 37.59% of the simple average of the closing price for the past three (3) months until the said date of 3,162 yen and, the price after adding a premium of 42.79% of the simple average of the closing price for the past six (6) months until the said date of 3,046yen), the Company Share Options Price at 434,900 yen, and the Tender Offer Price per the Company Shares represented by the Company ADRs at 4,350 yen. On June 19, 2023, the Company informed JICC that the Company would accept the Tender Offer Price in the Final Proposal.

(iii) Decision

(b) Life Science Business

(Before Amendment)

[Omitted]

Under such circumstances, the Company confirmed with the Tender Offeror the Company's thoughts on the above issues in the Life Sciences business and was told that the Tender Offeror intends to support our intentions with respect to the Life Sciences business, and specifically, the Tender 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 Tender 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 Company has come to believe that the Company and the Tender Offeror are in agreement in the direction that the Company should aim for in the Life Sciences business, and that the Company can achieve growth in the Life Sciences business together with the Tender Offeror.

[Omitted]

(After Amendment)

[Omitted]

Under such circumstances, the Company confirmed with the Tender Offeror the Company's thoughts on the above issues in the Life Sciences business and was told that the Tender Offeror intends to support the Company's intentions with respect to the Life Sciences business, and specifically, the Tender 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. Therefore, the Company has come to believe that the Company and the Tender Offeror are in agreement in the direction that the Company should aim for in the Life Sciences business, and that the Company can achieve growth in the Life Sciences business together with the Tender Offeror.

[Omitted]

3. Matters relating to Valuation

(1) The Company's Obtainment of Share Valuation Reports from Independent Third-party Valuation Institutions

(ii) Overview of Valuation

(Before Amendment)

[Omitted]

In the 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 "2. Grounds and Reason for Opinion" "(2) Background, Purpose and Decision-Making Process Leading to the Tender Offeror to Conduct the Tender Offer, and Management Policy Following the Tender Offer", "(i) Background and Purpose of the Tender Offer", "① The Company's Business Environment, etc.", in the Digital Solutions business, although there has been a temporary adjustment in operations in the semiconductor materials market in which the 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 Company, the Company expects to achieve growth higher than that of the market.

In calculating the equity value of the Company Shares, Mizuho Securities, in principle, used the information provided by the 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 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 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 Company at this point in time. With respect to such financial forecasts, the Special Committee has questioned and answered with the Company and confirmed the reasonableness of their contents and assumptions.

[Omitted]

In the 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 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 "2. Grounds and Reason for Opinion" "(2) Background, Purpose and Decision-Making Process Leading to the Tender Offeror to Conduct the Tender Offer, and Management Policy Following the Tender Offer", "(i) Background and Purpose of the Tender Offer", "① The Company's Business Environment, etc.", in the Digital Solutions business, although there has been a temporary adjustment in operations in the semiconductor materials market in which the 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 Company, the Company expects to achieve growth higher than that of the market.

In evaluating the equity value of the Shares, in principle, Mitsubishi UFJ Morgan Stanley Securities adopted, without any change, the information provided from the 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 Company has been reasonably prepared by the 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 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.

[Omitted]

(After Amendment)

[Omitted]

In calculating the equity value of the Company Shares, Mizuho Securities, in principle, used the information provided by the 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 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 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 Company at this

point in time. With respect to such financial forecasts, the Special Committee has questioned and answered with the Company and confirmed the reasonableness of their contents and assumptions.

In the 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 "2. Grounds and Reason for Opinion" "(2) Background, Purpose and Decision-Making Process Leading to the Tender Offeror to Conduct the Tender Offer, and Management Policy Following the Tender Offer", "(i) Background and Purpose of the Tender Offer", "① The Company's Business Environment, etc.", in the Digital Solutions business, although there has been a temporary adjustment in operations in the semiconductor materials market in which the 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 Company, the Company expects to achieve growth higher than that of the market.

[Omitted]

In evaluating the equity value of the Shares, in principle, Mitsubishi UFJ Morgan Stanley Securities adopted, without any change, the information provided from the 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 Company has been reasonably prepared by the 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 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 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 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 "2. Grounds and Reason for Opinion" "(2) Background, Purpose and Decision-Making Process Leading to the Tender Offeror to Conduct the Tender Offer, and Management Policy Following the Tender Offer", "(i) Background and Purpose of the Tender Offer", "① The Company's Business Environment, etc.", in the Digital Solutions business, although there has been a temporary adjustment in operations in the semiconductor materials market in which the 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 Company, the Company expects to achieve growth higher than that of the market.

[Omitted]

5. Policy on Organizational Restructuring, etc. after the Tender Offer (Matters Concerning the So-Called Two-Step Acquisition)
 - (2) Reverse Stock Split

(Before Amendment)

In the event that the Tender Offeror does not come to hold 90% or more of the voting rights of all shareholders of the Company, the Tender Offeror will request the Company to hold an extraordinary general meeting of shareholders (the "**Extraordinary Shareholders' Meeting**"), which will include agenda items of: (i) a reverse stock split of the Company Shares (the "**Reverse Stock Split**"); and (ii) a partial amendment to the Articles of Incorporation to abolish the number of shares constituting one unit of shares subject to the Reverse Stock Split taking effect. The Tender Offeror plans to vote in favor of each of the above agenda items at the Extraordinary Shareholders' Meeting. If the agendas for the Reverse Stock Split is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will own the number of shares of the Company corresponding to the ratio of the Reverse Stock Split approved at the Extraordinary Shareholders' Meeting on the day when the Reverse Stock Split becomes effective. In this case, if the Reverse Stock Split will result in a fraction of less than one (1) share, the Company shall pay to the shareholders who hold fractional shares the amount equal to the consideration for sales of the total number of such fractional shares (where, if the total number includes a fraction of less than one (1) share, such fraction shall be rounded down) in accordance with the procedures stipulated in Article 235 of the Companies Act and other applicable laws and regulations. The sale price of the Company Shares corresponding to the total of such fractions will be calculated so that the amount of money to be delivered to each shareholder of the Company who did not apply for the Tender Offer as a result of such sale will be the same as the Tender Offer Price multiplied by the number of the Company shares held by each such shareholder, and a petition for permission of voluntary sale will be filed with the court. The ratio of the consolidation of the Company shares has not yet been determined as of today, but will be determined so that the Company's shareholders who have not tendered their shares in the Tender Offer (excluding the Tender Offeror and the Company) are expected to hold less than one share in order for the Tender Offeror will own all of the Company shares. The number of shares of the Company held by the shareholders of the Company (excluding the Tender Offeror and the Company) who do not tender their shares in the Tender Offer will be determined so that the Tender Offeror will own all of the shares of the Company.

Since the Company Shares subject to the reverse stock split include the Company Shares represented by the Company ADRs and held by the Depositary Banks, if the above decision is made, the number of shares of the Company held by the Depositary Banks after the reverse stock split will not be equal to whole shares (i.e., a decimal number will apply). In such case, based on the ADR Registration Statements, each Depositary Bank will cancel the Company ADRs in accordance with the terms of the Company ADRs and pay to each holder of the Company ADRs, in proportion to the number of the Company Shares represented by the Company ADRs held by such holder, an amount equal to the Tender Offer Price multiplied by the number of Company Shares represented by the Company ADRs (converted into US dollars), less fees and taxes, etc. of such Depositary Bank.

[Omitted]

(After Amendment)

In the event that the Tender Offeror does not come to hold 90% or more of the voting rights of all shareholders of the Company, the Tender Offeror will request the Company to hold an extraordinary general meeting of shareholders (the "**Extraordinary Shareholders' Meeting**"), which will include agenda items of: (i) a reverse stock split of the Company Shares (the "**Reverse Stock Split**"); and (ii) a partial amendment to the Articles of Incorporation to abolish the number of shares constituting one unit of shares subject to the Reverse Stock Split taking effect. The Tender Offeror plans to vote in favor of each of the above agenda items at the Extraordinary Shareholders' Meeting. If the agendas for the Reverse Stock Split are approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will own the number of shares of the Company corresponding to the ratio of the Reverse Stock Split approved at the Extraordinary Shareholders' Meeting on the day when the Reverse Stock Split becomes effective. In this case, if the Reverse Stock Split will result in a fraction of less than one (1) share, the Company shall pay to the shareholders who hold fractional shares the amount equal to the consideration for sales of the total number of such fractional shares (where, if the total number includes a fraction of less than one (1) share, such fraction shall be rounded down) in accordance with the procedures stipulated in Article 235 of the Companies Act and other applicable laws and regulations. The sale price of

the Company Shares corresponding to the total of such fractions will be calculated so that the amount of money to be delivered to each shareholder of the Company who did not apply for the Tender Offer as a result of such sale will be the same as the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder, and a petition for permission of voluntary sale will be filed with the court. The ratio of the consolidation of the Company Shares has not yet been determined as of today, but will be determined so that the Company's shareholders who have not tendered their shares in the Tender Offer (excluding the Tender Offeror and the Company) are expected to hold less than one share in order for the Tender Offeror will own all of the Company Shares.

Since the Company Shares subject to the Reverse Stock Split include the Company Shares represented by the Company ADRs and held by the Depository Banks, if the above decision is made, the number of shares of the Company held by the Depository Banks after the Reverse Stock Split will also be a fraction of less than one share. In such case, based on the ADR Registration Statements, each Depository Bank will cancel the Company ADRs in accordance with the terms of the Company ADRs and pay to each holder of the Company ADRs, in proportion to the number of the Company Shares represented by the Company ADRs held by such holder, an amount equal to the Tender Offer Price multiplied by the number of Company Shares represented by the Company ADRs (converted into US dollars), less fees and taxes, etc. of such Depository Bank.

[Omitted]

6. Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

(1) Establishment of an Independent Special Committee at the Company and Receipt of the SC Report from the Special Committee

(iii) Contents of the Decision

(a) Contents of the SC Report

(Before Amendment)

[Omitted]

(D) Taken in light of (A) through (C) above, the Transaction 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 Company to express an opinion supporting the Tender Offer and to recommend that the shareholders of the Company Shares and the holders of the Company Share Options tender their Company Shares, and the holders of the Company ADRs deliver the Company ADRs to the Depository Banks in advance, receive the Company Shares represented by the Company ADRs before tendering for the Tender Offer and tender their Company Shares, if the Tender Offer commences.

(After Amendment)

[Omitted]

(D) Taken in light of (A) through (C) above, the Transaction can be considered as not adverse to the interests of the minority shareholders of the Company.

(E) Taken in light of (A) through (D) above, it is currently appropriate for the Board of Directors of the Company to express an opinion supporting the Tender Offer and to recommend that the shareholders of the Company Shares and the holders of the Company Share Options tender for the Tender Offer, and the holders of the Company ADRs deliver the Company ADRs to the Depository Banks in advance, receive the Company Shares represented by the Company ADRs before tendering for the Tender Offer and tender their Company Shares, if the Tender Offer commences.

(b) Reasons for the SC Report

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

(Before Amendment)

[Omitted]

- According to the Company, in order for the 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 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 Company, the 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 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 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 Company's employees, suppliers, and other stakeholders, and from the perspective of such relative comparisons, the Company has come to believe that the Transaction is suitable for the Company's objectives. According to the Company, if the Company Shares become private, there is a possibility that this may affect the Company's social recognition that the Company has enjoyed as a listed company, the Company's ability to secure excellent human resources through high name recognition, public trust and financing from capital markets. However, the Company believes that it is possible for the Company to maintain name recognition by taking these measures that the Company establish a system in which the Company's officers and employees work together with the Tender 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 Tender 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 Transaction without using other methods.

(After Amendment)

[Omitted]

- According to the Company, in order for the 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 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 Company, the 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 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 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 Company's employees, suppliers, and other stakeholders, and from the perspective of such relative comparisons, the Company has come to believe that the Transaction is suitable for the Company's objectives. According to the Company, if the Company Shares go private, there is a possibility that this may affect the Company's social recognition that the Company has enjoyed as a listed company, the Company's ability to secure excellent human resources through high name recognition, public trust and financing from capital markets. However, the Company believes that it is possible for the Company to maintain name recognition by taking these measures that the Company establish a system in which the Company's officers and employees work together with the Tender Offeror to enhance the long-term corporate value and continue to appropriately disclose corporate information in consultation with the Tender Offeror 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 Transaction without using other methods.

(B) Whether the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price and the Company Share Options Price, is ensured

(Before Amendment)

[Omitted]

- The Company Business Plan has been prepared on a standalone basis without assuming the implementation of the Transaction, and as such, it was under discussion and preparation by the 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 Transaction, there are no implications of involvement or influence on the preparation thereof by JICC or any of its affiliates. Furthermore, although the Company has provided certain explanations to JICC with respect to the 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 Company provided the Special Committee with an opportunity to explain the details such as the basis for the Company Business Plan and question-and-answer did not find any circumstances requiring amendment of the Company Business Plan or any other circumstances which could give rise to doubts about the reasonableness of the Company Business Plan. Based on the foregoing, there were no findings that any pressure by the Tender Offeror and JICC was exerted in the formulation process of the 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 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 (1) month, the past three (3) months, and the past six (6) 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 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 Company (excluding treasury stock). Thus, the 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 Company Share Options Price is expected to be the amount calculated by multiplying the difference between the Tender Offer Price and the exercise price per the Company Share of each Company Share Option by the number of the Company Shares underlying each such Company Share Option (100 for each Share 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 Company Share Options Price is calculated by the difference between the Tender Offer Price and the exercise price of each Company Share Option. Therefore, the Company Share Options Price is also considered to be a level at which the appropriateness of the price is denied.

[Omitted]

(After Amendment)

[Omitted]

- The Company Business Plan has been prepared on a standalone basis without assuming the implementation of the Transaction, and as such, it was under discussion and preparation by the 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 Transaction, there are no implications of involvement or influence on the preparation thereof by JICC or any of its affiliates. Furthermore, although the Company has provided certain explanations to JICC with respect to the Company Business Plan during its negotiations with JICC, there can be no doubt that such matters were developed or revised without JICC's instructions or its intentions. Furthermore, the Company was provided the Special Committee an opportunity to explain the details such as the basis for the Company Business Plan and question-and-answer did not find any circumstances requiring amendment of the Company Business Plan or any other circumstances which could give rise to doubts about the reasonableness of the Company Business Plan. Based on the foregoing, there were no findings that any pressure by the Tender Offeror and JICC was exerted in the formulation process of the 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 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 (1) month, the past three (3) months, and the past six (6) 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 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 Company (excluding treasury stock). Thus, the 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 Company Share Options Price is expected to be the amount calculated by multiplying the difference between the Tender Offer Price and the exercise price per the Company Share of each Company Share Option by the number of the Company Shares underlying each such Company Share Option (100 for each Company Share Option) 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 Company Share Options Price is calculated by the difference between the Tender Offer Price and the exercise price of each Company Share Option. Therefore, the Company Share Options Price is also considered not to be a level at which the appropriateness of the price is denied.

[Omitted]

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

(Before Amendment)

[Omitted]

- 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 Company, the holders of the Company Share Options and the holders of the Company 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 Company's contact with a counterparty offer proposer is entered into between the Company, the Tender 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.

(After Amendment)

[Omitted]

- The tender offer period of the Tender Offer is expected to be 20 business days, the shortest period required by law but 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 Company, the holders of the Company Share Options and the holders of the Company ADRs have been provided with an appropriate opportunity to make a decision regarding tender for the Tender Offer and there has been

an opportunity for a counterparty offer proposer to make an acquisition proposal. Further, no agreement which would unduly restrict the Company's contact with a counterparty offer proposer is entered into between the Company, the Tender Offeror and JICC. Therefore, since the merger and acquisition here is conducted in an environment where other potential acquirers can make counterproposals after the announcement, it can be said that the so-called indirect market checks are in place.

(Before Amendment)

(D) In light of (A) through (C) above, whether the Transaction is not disadvantageous to the Company's minority shareholders

[Omitted]

(E) Whether or not it is reasonable for the Board of Directors of the Company to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company and the holders of the Company Share Options tender their Company Shares and holders of the Company ADRs deliver the Company ADRs to the Depository Banks in advance, receive the Company Shares represented by the Company ADRs before tendering for the Tender Offer and tender their Company Shares in the Tender Offer

[Omitted]

(After Amendment)

(D) In light of (A) through (C) above, whether the Transaction is not disadvantageous to the Company's minority shareholders of the Company

[Omitted]

(E) Whether or not it is reasonable for the Board of Directors of the Company to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company and the holders of the Company Share Options tender for the Tender Offer and holders of the Company ADRs deliver the Company ADRs to the Depository Banks in advance, receive the Company Shares represented by the Company ADRs before tendering for the Tender Offer and tender their Company Shares in the Tender Offer.

[Omitted]

End