August 2, 2023

This document is an English translation of a statement written originally in Japanese. The Japanese original should be considered as the primary version.

ITOCHU Corporation
(Code No. 8001, Prime Market)
Representative Director and President and Chief Operating Officer: Keita Ishii
Contact: Suguru Amano
General Manager, Investor Relations Division
(TEL. +81-3-3497-7295)

Digital Value Chain Partners GK
Representative Member: ITOCHU Corporation
Person Acting in its Capacity: Tatsushi Shingu
Contact: As above

Announcement in Relation to Commencement of Tender Offer for Shares in ITOCHU Techno-Solutions Corporation (Code No. 4739)

ITOCHU Corporation (hereinafter referred to as "ITOCHU") and Digital Value Chain Partners GK (location of the head office: Minato-ku, Tokyo; Person acting in its capacity: Tatsushi Shingu; hereinafter referred to as the "Tender Offeror"), in which ITOCHU holds a 100% stake, individually decided today that the Tender Offeror will acquire the common shares of ITOCHU Techno-Solutions Corporation (which are listed on the Prime Market of the Tokyo Stock Exchange, Inc. (hereinafter referred to as the "TSE"): Code No. 4739; hereinafter referred to as the "Target Company") (such common shares, hereinafter referred to as the "Target Company Shares") by way of tender offer (hereinafter referred to as the "Tender Offer") as stipulated in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter referred to as the "Act").

Due to major structural changes in the market and business environment surrounding the industry to which the Target Company belongs, in addition to the existing organic growth strategy, it is essential to mutually utilize the management resources of the ITOCHU Group (a corporate group consisting of ITOCHU and its 188 subsidiaries, including the Target Company, and 83 affiliates (as of March 31, 2023); hereinafter the same applies) promptly and flexibly, achieve a non-organic growth (Note), reforming the business model, and extending and developing its business fields/capability significantly and rapidly and as such. Under such circumstances, ITOCHU and the Target Company have come to a shared acknowledgement that it is imperative that ITOCHU and the Target Company dissolve structural conflicts of interest between ITOCHU and the Target Company and put in management resources to further enhance corporate value, and that ITOCHU and the Target Company as a group proceed together with flexible and steady management measures. Therefore, the Tender Offeror decided to launch the Tender Offer with the aim of taking the Target Company private.

(Note) Non-organic growth refers to growth through capital and business alliance with or acquisition (M&A) of another company.

This document is disclosed by ITOCHU in accordance with the Securities Listing Regulations, and also serves as an official announcement pursuant to Article 30, paragraph 1, item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; hereinafter referred to as the "Order") based on the request of the Tender Offeror to ITOCHU (the parent company of the Tender Offeror).

1. Outline of the Tender Offeror

(1) Name	Digital Value Chain Partners GK
(2) Location	2-5-1 Kita-Aoyama, Minato-ku, Tokyo
(3) Title and Name of Representative	Person acting in its capacity: Tatsushi Shingu
(4) Description of Business Activities	1. Consulting for the development of information processing services business 2. Investments and loans for information processing services business 3. All functions incidental to the foregoing
(5) Capital	10,000 yen (as of August 2, 2023)

2. Purpose of the Tender Offer, etc.

(1) Outline of the Tender Offer

The Tender Offeror is a Godo Kaisha (limited liability company) established on July 18, 2023 primarily for the purpose of acquiring and holding the Shares of the Target Company through the Tender Offer and, ITOCHU holds a 100% stake in the Tender Offeror. As of today, the Tender Offeror does not hold any Target Company Shares, which are listed on the Prime Market of the Tokyo Stock Exchange, Inc., while, as of today, ITOCHU, which is the parent company of the Tender Offeror, holds 141,601,600 Target Company Shares (Ownership Ratio (Note 1): 61.24% (rounded to two decimal places; hereinafter the same applies to the calculation of Ownership Ratio)), and the Target Company is a subsidiary of ITOCHU.

(Note 1) The "Ownership Ratio" means the ratio of the relevant Target Company Shares held by the applicable person to the number of shares (231,227,366 shares) remaining after subtracting the number of treasury shares held by the Target Company as of June 30, 2023 (8,772,634 shares; however, the number of treasury shares does not include 145,100 shares held by Mizuho Trust & Banking Co., Ltd., which received consignment by the Target Company based on the Target Company's Board Benefit Trust (BBT) system (sub-trustee: Custody Bank of Japan, Ltd.). Hereinafter the same for the number of treasury shares held by the Target Company.), from the total number of issued shares of the Target Company (240,000,000 shares) as of the same date and disclosed in the "Summary of the Financial Results for the First Quarter of the Fiscal Year Ending March 2024 [IFRS] (Consolidated)" announced by the Target Company today (Japanese Only, hereinafter referred to as the "Target Company's Financial Results").

On August 2, 2023, the Tender Offeror decided to commence the Tender Offer in order to acquire all of the Target Company Shares (excluding the Target Company Shares held by ITOCHU, and the treasury shares held by the Target Company), at 4,325 yen per share (as per the Target Company Shares of the Tender Offer referred to as the "Tender Offer Price"), as part of a series of transactions resulting in the Target Company's shareholders comprising only of ITOCHU and the Tender Offeror (collectively, the "Tender Offerors") (such transactions are hereinafter referred to as the "Transaction").

As the Tender Offeror will conduct the Tender Offer in order to have the Target Company's shareholders comprise of only the Tender Offerors, the lower limit on the number of shares to be purchased through the Tender Offer is set to 12,550,000 shares (Ownership Ratio: 5.43%). If the total number of shares that are offered for sale in response to the Tender Offer (the "Tendered Shares") falls short of the lower limit on the number of shares to be purchased through the Tender Offer, none of the Tendered Shares will be purchased. On the other hand, the upper limit on the number of shares to be purchased is not set in this Tender Offer; if the total number of the Tendered Shares is equal to or is more than the lower limit of the number of shares to be purchased (12,550,000 shares), all the Tendered Shares will be purchased.

In order to have the total of the Target Company's voting rights to be held by the Tender Offerors, when the Tender Offer has been completed, be equal to or more than two-thirds of the total of the Target Company's voting rights, the lower limit on the number of shares to be purchased through the Tender Offer (12,550,000 shares) was obtained by: (a) subtracting the number of treasury shares held by the Target Company as of June 30, 2023 (8,772,634 shares), from the total number of issued shares of the Target Company as of the same date as stated in the Target Company's Summary of Financial Results (240,000,000 shares), with the result (231,227,366 shares) equating to 2,312,273 voting rights, then (b) multiplying this voting rights (a) by 2/3 (resulting in 1,541,516 voting rights, rounded up to one decimal place), then (c) subtracting the number of voting rights (1,416,016) of the Target Company Shares (141,601,600 shares) held by ITOCHU, resulting in 125,500 voting rights, then (d) multiplying (c) by the number of share units of the Target Company (100 shares). Originally, the Transaction purports to have the Target Company's shareholders comprise of only the Tender Offerors, but the reason the lower limit of the number of shares to be purchased is set as above is because the Tender Offerors is required to hold equal to or more than two-thirds of the voting rights, which is equivalent to the voting rights ratio required for the special resolution for the Share Consolidation (as defined in "(4) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" below, hereinafter the same applies) at the shareholders meeting, in the case where the Tender Offer has been completed but the Tender Offeror fails to acquire all of the Target Company Shares (other than those owned by ITOCHU and the treasury shares held by the Target Company) through the Tender Offer, and then conducts the procedures for the Share Consolidation stated in "(4) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" below, which requires a special resolution of the shareholders meeting as set forth in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same). As of today, the Tender Offeror does not hold any Target Company Shares. However, ITOCHU, the parent company of the Tender Offeror, holds 141,601,600 Target Company Shares (Ownership ratio: 61.24%). Therefore, considering that setting the lower limit on the number of shares to be purchased in the Tender Offer by the "majority of minority" will make completion of the Tender Offer unpredictable and will not be in the best interests of minority shareholders of the Target Company who wish to tender in the Tender Offer, no lower limit on the number of shares to be purchased in the Tender Offer by the "majority of minority" was set. For details on measures taken to ensure fairness of the Tender Offer, please see "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” below.

If the Tender Offer has been completed but not all of the Target Company Shares are acquired through the Tender Offer (excluding the Target Company Shares held by ITOCHU and the treasury shares held by the Target Company), the Tender Offeror plans to implement a series of procedures after the completion of the Tender Offer, to have the Target Company’s shareholders comprise of only the Tender Offerors (the “Squeeze-Out Procedures”).(Please refer to “(4) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)” below.

In addition, the Tender Offerors are considering searching for a partner enterprise that can contribute to creating synergy between the Tender Offerors and the Target Company after the completion of the Squeeze-Out Procedures. If an applicable enterprise exists, the Tender Offerors are considering accepting a few percent or less investment by such enterprise in the Tender Offeror or the Target Company through good faith consultations with the Target Company and the enterprise. However, details such as the specific method, investment ratio, and the date have not yet been determined as of today. It is noted that even if the investment by such enterprise has been accepted, the management policy after the Tender Offer or the holding policy of the Target Company Shares after the Transaction are not expected to change. (Please refer to “(b) Management Policy after the Completion of the Tender Offer” below.)

According to the “Announcement of Opinion in Support of the Tender Offer for the Company Shares by Digital Value Chain Partners, GK, a Subsidiary of ITOCHU Corporation, the Parent Company and Recommendation for our Shareholders to Tender their Shares in the Tender Offer” published by the Target Company on August 2, 2023 (the “Target Company Press Release”), at the Target Company’s board of directors meeting held on August 2, 2023, the Target Company made a resolution declaring the Target Company’s opinion supporting the Tender Offer, and recommending to its shareholders that they tender their shares in the Tender Offer.

For details of the decision-making process of the Target Company, please see the Target Company Press Release and “(iii) Target Company’s Decision-making Process and Reasons” of “(a) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer” of “(2) Background, Purpose, and Decision-making Process Leading to Conduct the Tender Offer, and Management Policy Following the Tender Offer” below.

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

(a) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer

(i) Background of the Tender Offer

ITOCHU, which is the parent company of the Tender Offeror, has been listed on Osaka Securities Exchange Co., LTD. and the TSE since July 1950. ITOCHU forms the ITOCHU Group. Through domestic and overseas business networks, “Textile Company,” “Machinery Company,” “Metals &

Minerals Company," "Energy & Chemicals Company," "Food Company," "General Products & Realty Company," "ICT & Financial Business Company," and "The 8th Company (Note 1)," whose business areas have been extended from "upstream" business areas, such as those relating to raw materials, to "downstream" consumer business areas, have been running diversified businesses, in order to offer a variety of products and services that support people's daily lives.

Through the reorganization in 2016, ITOCHU established the ICT & Financial Business Company, which consists of two divisions, the "ICT Division" and the "Financial & Insurance Business Division," and engages in businesses focused on service fields such as ICT (Note 2) and BPO (Note 3). The "ICT Division" involves businesses such as IT service, communication and mobile, space/satellite and media, BPO, and medicine and healthcare businesses. The IT service business comprehensively supports customers with digitalization and digital transformation (DX) (Note 4), focusing mainly on IT solutions, over a wide range of fields, including data utilization, internet-related services, and venture capital businesses. In the DX support business, which is a particular focus for the ICT & Financial Business Company, it is affiliated with companies or the like that have strengths in consulting and data utilization, in order to respond to needs at all stages of the value chain (Note 5), from upstream to downstream. ITOCHU aims to expand its profit base further by horizontally developing across other industries the knowledge and know-how it has accumulated through its engagement in the DX support business.

The Tender Offeror, the trade name of which is Digital Value Chain Partners GK, was incorporated on July 18, 2023, mainly for the purpose of acquiring and owning Shares of the Target Company through the Tender Offer, and is a limited liability company, 100% of the capital of which is invested by ITOCHU.

(Note 1) A "Company" in the applicable sentence refers to a business division within ITOCHU that is deemed to be one highly independent unit. Delegation of management resources and discretion to each Company allows it to manage responsibly, rapidly and flexibly, and develop businesses meeting the needs in each field.

(Note 2) "ICT" refers to Information and Communication Technology.

(Note 3) "BPO" (business process outsourcing) refers to the collective outsourcing of a part of a company's business process (from planning/designing to implementation).

(Note 4) "DX" (digital transformation) refers to utilizing data and digital technology for the generation of a new business model and the reformation of existing business.

(Note 5) "Value chain" refers to the complexly linked value, not the simply aggregated value, focusing on what kind of added value is generated by each business activity in companies.

On the other hand, according to the Target Company, the Target Company was founded in July 1979 as Hamilton/Avnet Electronics Japan Limited; and as a result of capital participation in October 1984 by ITOCHU (the Tender Offeror's parent company) and by C. ITOH Data Systems Co., Ltd. (ITOCHU's then wholly-owned subsidiary) (founded in April 1972) ("C. ITOH Data Systems"), it became a subsidiary of ITOCHU. Thereafter, in April 1985 the Target Company changed its trade name to C. ITOH Micronics Corp., and then to ITOCHU Techno-Science Corporation in June 1986. Then, in

October 1989, it integrated its management through an absorption-type merger with C. ITOH Data Systems, and became listed on the First Section of the TSE in December 1999. In addition, in October 2006, the Target Company and CRC Solutions Corp. (listed on the First Section of the TSE, with ITOCHU investing 34.31% and the Target Company investing 12.12% of its capital), the predecessor of which is Tokyo Electronic Computing Service Co., Ltd. (founded in November 1958 with ITOCHU investing 75% of its capital; its trade name was changed to C. Itoh Electronic Computing Service Corporation, Ltd. in April 1961) integrated management through an absorption-type merger, and changed the trade name to the current ITOCHU Techno-Solutions Corporation. As a result of the restructuring of the market divisions of the TSE as of April 4, 2022, the Target Company is currently listed on the Prime Market of the TSE.

According to the Target Company, as of today, the Target Company Group consists of the Target Company, 17 subsidiaries and 13 affiliates, with a total of 31 companies and is engaged in the business of sales and maintenance of computer and network systems, commissioned software development, data center services, and support services, etc. In addition, the Target Company Group supports the expansion and transformation of its customers' businesses by developing comprehensive solutions and sales activities, from IT consulting to system design, construction, maintenance, and operation services, for a wide range of customers.
With respect to the environment surrounding the Target Company Group, our society today is facing various issues, including climate change, widening social disparities, and in Japan a declining birthrate and aging population, etc.; and while IT is rapidly evolving to solve social issues, new challenges, including the need to bridge the digital divide, have begun to emerge. In light of these circumstances, the Target Company Group, based on the mission set out in its corporate philosophy, "Leveraging IT's potential to change future for the Global Good," has defined new materiality (Note 6) to enable further growth as a corporation that fulfils its responsibilities to society and aim to establish a sustainable society through its business by addressing three major issues: "Solve social issues through IT," "Cultivate human capital to support the future," and "Implement responsible corporate activities."

In addition, the Target Company Group has developed a Medium-Term Management Plan, "Beyond the Horizons: To the Future Ahead," (for the three years from April 2021 to March 2024) based on the Group philosophy that aims to realize the mission stated above, in April 2021. Under this Medium-Term Management Plan, the Target Company Group will seek to achieve continued growth under the following three basic policies: "Accelerate: Create future wealth" to accelerate new initiatives to support customers' innovation, with a focus on supporting DX and the expansion of the co-creation business; "Expand: Expand current wealth" to aim at further expansion in the Target Company's areas of strength, such as 5G and cloud businesses, and "Upgrade: Increase feasibility" to intent to increase the feasibility of each of the above policies through development of human resources and reinforcement of its management base. In order to achieve the goals of the Medium-Term Management Plan, the Target Company Group has invested in human capital that will contribute to sustainable growth and strengthened its management base through investments in digital and other areas. The Target Company Group believes that achieving the goals of the Medium-Term Management Plan will promote the resolution of social issues, which in turn will lead to the pursuit of "a prosperous society with dreams," which is the Target Company Group's corporate philosophy.

(Note 6) "Materiality" refers to material topics that a company or an organization works on over a long term as a priority.

The capital relationship between ITOCHU and the Target Company began when ITOCHU founded C. ITOH Data Systems in April 1972 by investing 100% of its capital. In October 1984, ITOCHU acquired 768,751 shares (shareholding ratio: 70.00% (Note 7)) of the Target Company (the trade name at the time was Hamilton/Avnet Electronics Japan Limited; its trade name was further changed to C. ITOH Micronics Corp. in April 1985; to ITOCHU Techno-Science Corporation in June 1986; and to ITOCHU Techno-Solutions Corporation in October 2006, respectively) from Avnet, Inc. and came to hold 70,000 Target Company Shares (shareholding ratio: 70.00%) through capital decrease of the Target company in July 1985. As a result of an additional acquisition of the Target Company Shares from Avnet, Inc. in May 1986, the number of the Target Company Shares owned by ITOCHU increased to 80,000 shares (shareholding ratio: 80.00%); thereafter, in July 1986, the Target Company took over Factory Automation and Semiconductor divisions of C. ITOH Data Systems; in October 1989, the Target Company absorbed C. ITOH Data Systems in a merger. After sales on and off the market on several occasions, issuance by the Target Company of shares for subscription, share split, etc., the number of Target Company Shares owned by ITOCHU increased to 24,408,000 (shareholding ratio: 39.69%) in March 2004, as a result of acquisition from a pension trust. The number of shares increased to 25,558,000 (shareholding ratio: 41.56%) in July 2004 as a result of acquisition from a pension trust; to 27,866,400 shares (shareholding ratio: 45.31%) in September 2004 as a result of acquisition from ITOCHU Cable Systems Corp., ITOCHU MECHATRONICS CORPORATION, and three other entities, and also as a result of acquisition through block trade; and increased to 29,666,400 (shareholding ratio: 48.24%) in June 2006 as a result of acquisition through block trade. In October 2006, the Target Company merged with CRC Solutions Corp. and changed its trade name to ITOCHU Techno-Solutions Corporation; after this, the number of the Target Company Shares owned by ITOCHU was increased by 33,665,400 shares to 67,330,800 shares (shareholding ratio: 56.11%) in April 2015 as a result of share split at the rate of one Target Company Share becoming two Target Company Shares; it was increased by 67,330,800 shares to 134,661,600 shares (shareholding ratio: 56.11%) in April 2018 as a result of share split at the rate of one Target Company Share becoming two Target Company Shares; and then it was increased by 6,940,000 shares to 141,601,600 shares (shareholding ratio: 59.00%) as a result of acquisition within the market over the period from February to June 2022. As of today, the number of Target Company Shares owned by ITOCHU is 141,601,600 shares (shareholding ratio: 61.24%).

(Note 7) “Shareholding ratio” in this paragraph means the ratio to the total number of issued shares of the Target Company at each point in time (rounded to two decimal places). As it is difficult to know the number of treasury shares at each point in time, the number of treasury shares has not been deducted from the total number of issued shares.

Since the foundation of the Target Company in July 1979, ITOCHU has been enhancing its alliance with the Target Company in the course of the Target Company’s establishment of the current business base, including the sale of overseas IT products, the listing of shares, and the development of global business. When the Target Company was first founded, ITOCHU utilized its relationship with local companies, which has been developing since the foundation of its North American base in 1952, and expanded trade with advanced IT device vendors in North America together with the Target Company. Under such circumstances, ITOCHU took the role of building the transaction scheme, including investing in vendors, negotiating agreements, and engaging in import practice, while the Target Company took the role of building networks for domestic sale and maintenance, and the Target Company thereby increased its sales volume of devices and largely accelerated profit growth. Thereafter, for the further development and expansion of its business, the Target Company aimed to diversify its financing methods, enhance its financial strength and operational management system, and obtain high value-added service functions, and through its listing on the First Section of the TSE in December 1999 and the integration of management with CRC Solutions Corp. in October 2006, the Target Company grew into a major system integrator that consistently provides functions including device sale and system building, development, maintenance, and operations. To further diversify the Target Company's business, ITOCHU transferred ITOCHU Technology, Inc. (current ITOCHU Techno-Solutions America, Inc.), a key subsidiary in seeking products in North America and in the multi-vendor networks (Note 8), to the Target Company in March 2012. In February, 2013, the Target Company and ITOCHU jointly engaged in acquisitions in the ASEAN regions and developed global business in March 2013. As DX investments by customers will develop further in the future, the Target Company is expected to enhance its profitability in the DX business against customer companies, including the ITOCHU Group.

(Note 8) "Multi-vendor" refers to providing a set of the best products for customers, from different manufacturers, both domestic and foreign.

The transactional relationship between ITOCHU and the Target Company is also expanding based on their historical background as described above.

The Target Company, as ITOCHU's main IT partner, provides the internal IT systems, including ITOCHU's and ITOCHU Group companies' core system etc. and development, maintenance and operations of IT infrastructure. ITOCHU receives support from the Target Company based on the Target Company's high technological abilities including dispatching staff from the Target Company to ITOCHU's DX strategy organization (accepting secondment) when promoting digital transformation, for example, the group data utilization project, which ITOCHU promoted. In addition, the Target Company has a long transactional relationship with ITOCHU as the buyer of North American vendor products imported by ITOCHU.

As such, the Target Company has consistently been an important IT partner of ITOCHU, and is one of the most important subsidiaries, in terms of strategy.

(ii) Background Leading to the Tender Offeror's Decision to Conduct the Tender Offer, and Purpose Thereof

As stated above, after making the Target Company its subsidiary, ITOCHU maintained the listing of the Target Company Shares, so that the Target Company may continue enjoying the advantages of a listed company, such as maintaining the name recognition of the Target Company in the industry and securing excellent personnel. In the meantime, ITOCHU has been providing human resources support, utilizing its corporate networks, and providing knowledge, including knowledge on the business sites that serve as points of contact with customers (the "business front") and the domestic and foreign management know-how and networks held by the ITOCHU Group and enhancing the alliance between the ITOCHU Group and the Target Company, so that the Target Company is able to achieve sustainable growth in the IT and digital industry where competitions are intensifying.

However, while the domestic IT service market is expected to grow continuously, the market environment surrounding the IT and digital industry and its structure is greatly changing; and ITOCHU recognizes that the functions that a system integrator is expected to have is rapidly changing. For example, when a customer is to introduce an IT system, a system integrator's role was initially to sell products, and to provide system building, and development, maintenance and operating services consistently; however, as a result of the recent appearance of hyper scalers (Note 1) and cloud companies that provide these functions in a series as not a traditional on-premise model but a service model, customers began to make flexible decisions in introducing IT systems, in accordance with their own needs and budgets.

Also, customers are increasingly utilizing IT and digital technology on the business front (LOB (Note 2)) in order to establish and strengthen their competitive advantage in their own business; thus, it is expected that customer demand will become even more diversified and complex. That is to say, in past IT services had been aimed mainly to information system departments; however, as the need for utilizing IT and digital technology on company-wide areas including not only business front but business planning departments and marketing departments, etc. has recently increased, the IT services are requested in complex combinations, with functions such as consulting, data analysis, business designing/marketing support, operational improvement, etc. by BPO, not limited to introduction of IT systems. Consulting firms that have knowledge and experience of resolving issues pertaining to customers' business front (LOB) are entering the market that systems integrators were responsible for previously. Such firms are entering the market as players that handle everything from consulting to IT system introduction by flexibly expanding their capabilities to make offerings through M&A and other means in order to accommodate these demands and expand business. Thus, the competitive environment surrounding the IT and digital industries is expected to become even more severe in the future.

(Note 1) "Hyper scaler" refers to a cloud service provider that owns one million or more giant server resources.

(Note 2) "LOB" (Line of Business) refers to a business department.

Furthermore, as the domestic IT market grows and the structural change thereof proceeds, ensuring engineer resources will also be an important issue; however, the possibility is already pointed out in 2019 already, that domestic engineer resources will fall short in Japan due to a decrease in the workforce arising from the decreasing birthrate and aging population, and also due to the training and reskilling (Note 3) of engineers not being able to catch up with the market demand. It is thus expected that competition to obtain highly skilled IT human resources in particular will be even more intensified in the future. Please refer to Ministry of Economy, Trade and Industry, "Survey on Demand and Supply in Relation to IT Human Resources" published in March 2019.

(Note 3) "Reskilling" refers to obtaining skills to transfer to new business or fields that are different from the existing business.

In specifically considering measures for the Target Company's sustainable growth over the medium to long term, ITOCHU has mainly been promoting the settlement of management issues and growth strategies with the Target Company, assuming the Target Company's organic growth. Meanwhile, in the rapidly changing market environment and in the face of rapid structural change, as well as the competition environment becoming fiercer due to new players' entry and engineer resources becoming more scarce, in order for the Target Company to maintain its competitive superiority and grow sustainably, ITOCHU recognizes that, the existing organic growth strategy is not sufficient and that it is essential to actualize reform of the business model, and significant and rapid extension and development of business fields/capability, through non-organic growth measures by way of mutually utilizing the management resources (various human resources, financial base, information, know-how, etc.) of the ITOCHU Group (including the Target Company) promptly and flexibly.

When the Target Company and ITOCHU intend to mutually utilize the management resources of the ITOCHU Group (including the Target Company), they need to carefully consider the effectiveness of such utilization and the objective fairness of the transaction, taking into consideration the interests of the stake holders including the minority shareholders of the Target Company. However, certain restrictions from the perspective of prompt and flexible decision-making are caused under the current circumstances where the Target Company and ITOCHU independently manage themselves as listed companies. In addition, because the provider and beneficiary of the management resources are not always the same, when ITOCHU provides to the Target Company management resources that contribute to the enhancement of corporate value, some may indicate the issue that part of the interest will flow out of the ITOCHU Group; thus, ITOCHU believes that there is a certain limitation to maximizing the corporate value of the ITOCHU Group including the Target Company by implementing flexible and effective measures. Thus, to maintain the Target Company's competitive superiority and to achieve sustainable growth, ITOCHU believes that, under the recent circumstances wherein prompt and flexible decision-making and effective utilization of ITOCHU Group's management resources are required, and that the best option is to develop a system by which structural conflicts of interest between ITOCHU and the Target Company will be settled and management resources can be mutually utilized promptly and flexibly, by taking the Target Company private.

ITOCHU believes that by taking the Target Company private, it can expect the following efforts to be made and synergetic effects to be generated:

I. Enhancement of Business Base and Increase in Profitability by Upgrading and Expanding Digital Value Chain

To respond to the above-mentioned rapid changes in the market environment and its structure, and the diversification and complication of customers' utilization of the IT and digital technology, ITOCHU sets forth a series of functions that will be necessary for supporting the utilization of the IT and digital technology, as functions to supplement the Target Company's "IT service" function, as follows: "consulting and data analysis," "business designing and marketing," and "operational improvement and BPO." Then, ITOCHU is proceeding to upgrade and expand the digital value chain (Note 4) through capital and business alliance with companies with such functions. The Target Company has strengths such as its broad customer base, which mainly consists of communication careers, technology that enables building advanced systems for such customers, and the provision of maintenance and operational service that make use of the multi-vendor networks it has developed over a number of years. In addition to its existing strengths, ITOCHU is planning and facilitating alliances with companies with consulting and business designing functions that contribute to the realization of high added value through the consistent provision of services, including acknowledging, analyzing, and making proposals on solutions concerning issues on the business front, to the implementation of solutions (such as introduction of IT systems). As a result, cases where such efforts are made by the Target Company are increasing. In the meantime, ITOCHU believes that there is a plenty of room for such efforts to improve and develop, in terms of flexibility, quality, and volume, in light of the fast-moving market environment and its structure, and the speed of competitor companies' growth. ITOCHU believes that through the Transaction, by establishing a system that enables mutual utilization of management resources of the ITOCHU Group and the Target Company further and by flexibly and effectively allying with companies that contribute to the Target Company's expansion of its functions, it will be possible to provide composite and high value-added solutions to customers (joint proposals by combining a series of functions of the IT and digital technology, as stated above) and contribute to the Target Company's enhancement of its business base and increase in profitability.

(Note 4) "Digital value chain" refers to the collective functions set forth by ITOCHU that will be necessary for customers in utilizing IT and digital technology, as follows: "consulting and data analysis," "business designing and marketing," "IT service," and "operational improvement and BPO."

II. Expansion of Operation Area and Acceleration of Growth Strategy of the Target Company by Utilizing the ITOCHU Group's Management Resources

ITOCHU, as a general trading company, believes that it can promote the settlement of the Target Company's current management issues and the flexible implementation of the growth strategy by utilizing the know-how ITOCHU has cultivated on the business front through transactions with customers and business partners, and the global networks and business experience of approximately 90 bases in about 60 countries all over the world. As initiatives to accelerate the Target Company's existing growth strategy, for example, in a perspective of global expansion, ITOCHU believes, the Target Company could enhance its domestic business by obtaining, knowledge and know-how of front-line utilization of IT and digital technology by customers on the business front, through business activities in foreign (especially North American) leading markets, where customers have more experience compared to domestic markets; in terms of securing engineering resources, the Target Company could respond to the loss of opportunities to make proposals and intensified competition in obtaining engineering resources due to a lack of engineering resources, by seeking flexible means including M&A such as ensuring offshore and onshore resources; and in terms of enhancing business support for cloud fields, the Target Company could further expand its business areas by seeking alliances and other opportunities obtain and strengthen knowledge and know-how of development including ERP (Note 5) and CRM (Note 6).
Further, by utilizing not only foreign business bases but also relationships with major VCs (Note 7) with which ITOCHU has been interacting and building personal connections and making track records in North America, China, Singapore, Israel, Europe, etc. over the long term, ITOCHU believes that it can contribute to finding new products and services and deepening technological knowledge, which will lead to the expansion of the Target Company's business fields, and that it can flexibly support the growth strategy of domestic and foreign businesses.

(Note 5) "ERP" (Enterprise Resource Planning) refers to the critical information system that manages in an integrative manner human resources, goods, capital and information that are the management resources of companies, and that supports the efficient and effective utilization of such management resources.

(Note 6) "CRM" (Customer Relationship Management) refers to a tool that manages customer information uniformly and that supports the building of relationships with customers.

(Note 7) "VC" (Venture Capital) refers to companies that invest in unlisted start-up companies.

III. Creating New Synergies by Leveraging the Collective Strengths of the ITOCHU Group

ITOCHU believes that, by expanding personnel exchanges which have been conducted mainly between the ICT Division and the IT & Digital Strategy Division of ITOCHU which supports ITOCHU Group's DX promotion and the Target Company, into, for example, other divisions of ITOCHU and ITOCHU Group companies, ITOCHU can accelerate DX in various ITOCHU Group companies, utilizing the Target Company's high-level of technical knowledge of IT, and at the same time, can accumulate DX provision cases and make them service models on the part of the Target Company, which will result in lateral expansion to client companies. For example, the group data management project that ITOCHU promoted advanced ITOCHU Group's business reforms by contributing ITOCHU Group's knowledge of the business front and the Target Company's high-level technical knowledge of IT. It also led to the development of new services that utilize experience from past cases on the part of the Target Company. However, under the aforementioned restriction, it took careful consideration to reconcile the interests of each stakeholder regarding the usefulness and objective fairness of the transaction; therefore, flexible project implementation remained a challenge. Under the current circumstances, as speed is essential in handling the increasingly diversified and complex IT/digital application needs in the business front of client companies, ITOCHU believes, by taking the Target Company private, it will be possible to create new synergies, such as the promotion of further DX projects and creation of service models by combining the business knowledge of each ITOCHU Group company in diverse industries with the advanced technological knowledge of the Target Company will be developed by further promoting quick and flexible mutual utilization of management resources, including personnel exchanges.

It is expected that ITOCHU Group will enhance its technical knowledge and know-how through employee exchanges with the Target Company, and that the Target Company will expand opportunities in career development through ITOCHU Group's knowledge and experience with regard to the business front as an ordering party of IT/digital applications, experience in M&As and capital/business alliances, experience in domestic and foreign business management, etc., generating benefits for both parties.

As described, through the Transaction, the ITOCHU Group, including the Target Company, is aiming to resolve management issues and business issues at client companies by utilizing IT and digital technology and willing to provide appropriate assistance in line with the needs of the client companies, as a partner that can support their business reforms utilizing IT.

With the above background, purposes, and anticipated synergy effects in mind, in early March 2023, to actualize the further enhancement corporate values of the ITOCHU Group (including the Target Company), ITOCHU concluded that it would be best to align the interests of the Target Company and ITOCHU more strongly than before by taking the Target Company private and to put in place a structure that enables the prompt and flexible mutual utilization of management resources; and it commenced initial deliberations accordingly.

In early March 2023, ITOCHU retained Nomura Securities Co., Ltd. ("Nomura Securities") as a financial advisor and third-party valuation firm independent from the ITOCHU Group (including ITOCHU and the Target Company), and Nishimura & Asahi as a legal advisor, and built a structure for discussions and negotiation with regard to taking the Target Company private. On March 7, 2023, ITOCHU notified the Target Company to the effect that it would like to commence deliberations toward taking the Target Company private. Subsequently, ITOCHU began deliberations on the expected synergy, and on April 4, 2023, submitted to the Target Company an initial proposal letter stating the background for ITOCHU offering the Transaction and the growth strategy after implementing the Transaction.

In response to the above notification dated March 7, 2023, from ITOCHU to the Target Company, in deliberating over the Transaction and conducting discussions and negotiation concerning the Transaction with ITOCHU, the Tender Offeror considered the following: that ITOCHU is a controlling shareholder (parent company) of the Target Company whose ownership ratio in the Target Company Shares is 61.24%; and that the Transaction, including the Tender Offer, constitutes a material transaction with the controlling shareholder; furthermore, it is a type of transaction that is typified by issues such as the existence of structural conflicts of interest and information asymmetry. Therefore, to address those issues and to ensure the fairness of the Transaction, according to the Target Company, in early March 2023, it appointed Mori Hamada & Matsumoto as a legal advisor independent from the ITOCHU Group (excluding the Tender Offeror and the Target Company Group) and the Tender Offeror (collectively, the "Tender Offeror, Etc."), and the Target Company Group. It also appointed Daiwa Securities Co. Ltd. ("Daiwa Securities") as a financial advisor and third-party valuation organization independent from the Tender Offeror, Etc. and the Target Company Group. According to the Target Company, on April 4, 2023, it again received a proposal letter regarding the Transaction from ITOCHU. In response to the proposal, based on the advice of Mori Hamada & Matsumoto, the Target Company immediately began to establish a system to deliberate, negotiate, and make decisions with regard to the Transaction from the perspective of improving the Target Company's corporate value and ensuring the interests of the Target Company's general shareholders from a position independent of the ITOCHU in order to ensure fairness of the Transaction. Specifically, as stated in "(iii) Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" in "(ii) Background of Valuation" in "(4) Basis for Valuation of the Tender Offer Price" in "3. Outline of the Tender Offer" below, the Target Company proceeded to prepare the special committee; then, by the resolution adopted by the Target Company's board of directors at the meeting held on April 7, 2023, right after the Target Company received the proposal letter from ITOCHU on April 4, the Target Company established a special committee consisting of three members; Mr. Yasuhiro Ikeda (an independent outside director of the Target Company) and Ms. Aya Motomura (an independent outside director of the Target Company), and Mr. Katsuhiko Hara (an independent outside audit and supervisory board member of the Target Company) (the "Special Committee"). (For the background to the establishment, the deliberations, specific determinations, etc., of the Special Committee, please see "(iii) Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" in "(ii) Background of Valuation" in "(4) Basis for Valuation of the Tender Offer Price" in "3. Outline of the Tender Offer" below). Then, the Target Company requested that the Special Committee (i) deliberate on, and provide the Target Company's board of directors with advice regarding whether or not the Target Company's board of directors should approve the Transaction (including whether or not the Target Company's board of directors should approve the Tender Offer and whether or not it should recommend to the Target Company's shareholders that they tender their shares in the Tender Offer), after deliberating on, and determining, (a) the propriety of the Transaction from the perspective of whether it will contribute to the improvement of the Target Company's corporate value, and (b) the appropriateness of the transaction terms and the fairness of procedures from the perspective of ensuring the interests of the Target Company's general shareholders; and (ii) deliberate on, and provide the Target Company's board of directors with an opinion regarding whether the decision of the Target Company's board of directors to implement the Tender Offer (including the Target Company's board of directors declaring an opinion supporting the Tender Offer and recommending to the Target Company's shareholders that they tender their shares in the Tender Offer) would not be disadvantageous to the Target Company's minority shareholders (the above matters shall hereinafter collectively be referred to as the "Matters of Inquiry"). Further, in establishing the Special Committee, the Target Company's board of directors resolved (i) that when it makes decisions regarding the Transaction, including the decision on whether to approve or disapprove the Tender Offer, at the board of directors meeting, it will give maximum respect to the contents of the Special Committee's decisions; and (ii) that it will not approve the Transaction under the proposed transaction terms if the Special Committee deems these terms unreasonable. Furthermore, the Target Company's board of directors resolved that it authorizes the Special Committee to (i) be substantially involved in the negotiation process between the Target Company and ITOCHU (including providing instructions or making requests concerning the negotiation policy with ITOCHU, as necessary); (ii) to appoint or designate its own financial advisor, third-party valuation organization, or legal advisor, as necessary, when deliberating over and making decisions on the Matters of Inquiry (with the costs incurred in this case to be borne by the Target Company), or to designate or approve (including ex-post facto approval) the Target Company's financial, legal, or other advisors; and (iii) to receive, as necessary, from the Target Company's officers and employees, or other persons deemed necessary by the Special Committee reasonably necessary information for deliberating and deciding on the Matters of Inquiry. (For the details of the method of the resolution of the Target Company's board of directors, please see "(iii) Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" in "(ii) Background of Valuation" in "(4) Tender Offer Prices" in "3. Outline of the Tender Offer" below.)

Note that as stated in "(iii) Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" in "(ii) Background of Valuation" in "(4) Basis for Valuation of the Tender Offer Price" in "3. Outline of the Tender Offer" below, on April 7, 2023, the Special Committee, based on the authorities granted as above, decided to appoint Shibata, Suzuki & Nakada as its own legal advisor, and PLUTUS CONSULTING Co., Ltd. (hereinafter referred to as "Plutus Consulting "), as its own financial advisor and third-party valuation organization.

ITOCHU and the Target Company commenced specific discussions and deliberations for the Transaction based on the above.

ITOCHU conducted due diligence with regard to the Target Company from late April 2023 to late June 2023 to examine the feasibility of the Tender Offer. In parallel, ITOCHU repeatedly discussed the significance and purpose of the Transaction, the synergy effect expected to be generated by the Transaction, the management structure and business policies to be put in place after the Transaction, and industry prospects with the Target Company and the Special Committee. Specifically, on April 25, 2023, ITOCHU received written inquiries from the Target Company and the Special Committee concerning the significance and purpose of the Transaction, (in response to the proposal letter dated April 4, 2023), and submitted a written response to these inquiries on May 19, 2023. Based on this response, on May 25, 2023, ITOCHU received additional written inquiries from the Target Company and the Special Committee. During the Special Committee meeting held on May 31, 2023, ITOCHU responded to these inquiries and explained the significance and purpose of the Transaction, and held Q&A sessions and discussions on the significance and purpose of the Transaction. Subsequently, ITOCHU received additional written inquiries from the Target Company and the Special Committee on June 1, 2023, and June 6, 2023 and provided written responses respectively on June 2, 2023, and June 14, 2023. Furthermore, during the Special Committee meeting held on June 22, 2023, ITOCHU again provided explanations on the significance and purpose of the Transaction, held Q&A sessions, and exchanged opinions on the significance and purpose of the Transaction, the synergy effect expected to be generated by the Transaction, the management structure and business policies to be put into place after the Transaction, and industry prospects.

Since July 7, 2023, ITOCHU repeatedly negotiated the Tender Offer Price with the Target Company. In particular, ITOCHU comprehensively considered information obtained from the due diligence that ITOCHU conducted with regard to the Target Company, the initial share value analysis of the Target Company conducted by Nomura Securities, ITOCHU's financial advisor based on such information, and the initial share value analysis of the Target Company conducted by ITOCHU based on such information. ITOCHU then made a proposal for the Transaction on July 7, 2023, which involved setting the Tender Offer Price as of the Tender Offer at 3,800 yen (6.77% premium on the share price of 3,559 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day) (rounded to two decimal places; hereinafter the same applies to the calculation of values of premiums (%). However, on July 10, ITOCHU received a request from the Target Company to reconsider the Tender Offer Price, reasoning that the Tender Offer Price was significantly lower than the level of price that reflected the intrinsic value of the Target Company. In response, on July 12, ITOCHU requested that the Target Company specify the reasons for evaluating that the Tender Offer Price ITOCHU indicated in its proposal on July 7 was significantly lower than the level of price that reflected the intrinsic value of the Target Company. Based on this request, on July 14, the Target Company provided ITOCHU with specific reasons for evaluating, explained based on long-term price movements of market stock prices, etc., that the Tender Offer Price ITOCHU indicated in its proposal on July 7 was significantly lower than the level of price that reflected the intrinsic value of the Target Company, and requested again that the Tender Offer Price be raised. Subsequently, on July 18, based on the Target Company's request, ITOCHU reproposed the Tender Offer Price, setting the Tender Offer Price at 4,000 yen (12.74% premium on the share price of 3,548 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day). However, the Special Committee expressed its opinion that the price was not enough to support the Tender Offer, and ITOCHU received a request from the Target Company to raise the Tender Offer Price again on July 19. Based on the Target Company's request, on July 26, ITOCHU reproposed the Tender Offer Price, setting the Tender Offer Price at 4,080 yen (16.47% premium on the share price of 3,503 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day). However, the Target Company expressed that the price was not enough to support the Tender Offer, and ITOCHU received a request from the Target Company to raise the Tender Offer Price again on July 26. Based on the Target Company's request, on July 27, ITOCHU reproposed the Tender Offer Price, setting the Tender Offer Price at 4,090 yen (14.41% premium on the share price of 3,575 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day). After that, in light of the significance of this matter, ITOCHU held discussions on the price again, and as a result of consideration, ITOCHU proposed the Tender Offer Price setting the Tender Offer Price at 4,200 yen (19.69% premium on the share price of 3,509 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day) on July 31. However, on that day, the Target Company expressed that price was not enough to support the Tender Offer, and ITOCHU received a request from the Target Company to raise the Tender Offer Price again. Based on the Target Company's request, on the same day, ITOCHU notified the Target Company that it would be difficult to raise the Tender Offer Price from 4,200 yen (19.69% premium on the share price of 3,509 yen, the closing price of the Target Company shared on the TSE as of the immediately preceding business day). Since there was no response from the Target Company even after the Special Committee held after the proposal, ITOCHU proposed the Tender Offer Price setting the Tender Offer Price at 4,325 yen (20.07% premium on the share price of 3,602 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day) on August 1. As a result, ITOCHU received a response from the Target Company to the effect that it would agree to set the Tender Offer Price at 4,325 yen as proposed by ITOCHU and reached an agreement on the same day.

(iii) Target Company's Decision-making Process and Reasons

A Background of the Establishment of an Evaluation Framework

According to the Target Company Disclosure on March 7, 2023, the Target Company received from ITOCHU, the parent company of the Tender Offeror, a notice to the effect that ITOCHU had commenced deliberating the implementation of the Transaction. Accordingly, in deliberating the Transaction, and consulting and negotiating with ITOCHU regarding the Transaction, given that ITOCHU is a controlling shareholder of the Target Company (parent company), whose Ownership Ratio of the Target Company Shares is 61.24%, and the Transaction (including the Tender Offer) constitutes a material transaction etc. with a controlling shareholder, and the Transaction constitutes transactions that typically involve structural conflict of interest issues and information asymmetry issues, in order to address those issues and to ensure the fairness of the Transaction, the Target Company appointed in early March, 2023 (i) Mori Hamada & Matsumoto as its legal advisor independent of the Tender Offeror, Etc., and the Target Company Group, and (ii) Daiwa Securities as its financial advisor and third-party valuation agent independent of the Tender Offeror, Etc. and the Target Company Group. The Target Company then received from ITOCHU once again a written proposal for the Transaction on April 4, 2023. In response to such proposal, in order to ensure the fairness of the Transaction, the Target Company immediately started establishing a framework for evaluating and negotiating and making determinations regarding the Transaction in terms of increasing its corporate value and securing the interests of general shareholders of the Target Company from a standpoint independent of ITOCHU, based on the advice of Mori Hamada & Matsumoto. Specifically, after preparation towards the establishment of a special committee as stated in "(iii) Establishment of an Independent Special

Committee at the Target Company and Obtainment of a Report from the Special Committee" in "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" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3 Outline of the Tender Offer" below, by a resolution of the board of directors meeting held on April 7, 2023, soon after the receipt of the written proposal from ITOCHU on April 4, 2023, the Target Company (i) established the Special Committee which consisted of three members, namely Mr. Yasuhiro Ikeda (an independent outside director of the Target Company), Ms. Aya Motomura (an independent outside director of the Target Company), and Mr. Katsuhiko Hara (an independent outside audit and supervisory board member of the Target Company) (for the process of the review, and details of decisions made by the Special Committee, please refer to "(iii) Establishment of an Independent Special Committee at the Target Company and Obtainment of a Report from the Special Committee" in "Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3. Outline of the Tender Offer" below.). The Target Company inquired with the Special Committee on the Matters of Inquiry. In addition, the Target Company's board of directors resolved, upon establishing the Special Committee, (i) to give the highest degree of respect to the determinations of the Special Committee when making decisions on the Transaction (including the decision whether to support the Tender Offer) and (ii) if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, not to approve the Transaction under those terms and conditions, and resolved to authorize the Special Committee (i) to be substantially involved in negotiations between the Target Company and ITOCHU (including giving instructions and making requests about the Target Company's negotiation policy with ITOCHU as necessary), (ii) to appoint or designate its own financial advisors or third-party valuation agents and legal advisors if necessary when evaluating and making determinations regarding the Matters of Inquiry (any expenses incurred in this case are to be borne by the Target Company) or to designate or approve (including ex post facto approval) its own financial advisors or legal or other advisors and (iii) to receive from the Target Company's officers and employees and other persons whom the Special Committee considers necessary any information reasonably necessary for conducting the evaluation and making determinations regarding the Matters of Inquiry as necessary. (For the details of the method of the resolution of the Target Company's board of directors, please see "(iii) Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" in "(ii) Background of Valuation" in "(4) Tender Offer Prices" in "3. Outline of the Tender Offer" below.)

As stated in "(iii) Establishment of an Independent Special Committee at the Target Company and Obtainment of a Report from the Special Committee" in "Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3. Outline of the Tender Offer" below, the Special Committee determined on April 7, 2023 to appoint Shibata, Suzuki & Nakada as its own legal advisor and Plutus Consulting as its own financial advisor and third-party valuation agent, based on the authority described above.

In addition, as stated in "(iii) Establishment of an Independent Special Committee at the Target Company and Obtainment of a Report from the Special Committee" in "Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3. Outline of the Tender Offer" below, the Special Committee confirmed that there is no concern with respect to the independence from the Tender Offeror, Etc. and the Target Company Group, the expertise, accomplishments, and other matters concerning the Target Company's financial advisor and third-party valuation agent, Daiwa Securities, and the Target Company's legal advisor, Mori Hamada & Matsumoto, and approved the appointment of them.

Further, as stated in "(iii) Establishment of an Independent Evaluation Framework at the Target Company" in "Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4) Tender Offer Prices" in "3. Outline of the Tender Offer" below, the Target Company established an internal framework for evaluating and negotiating and making determinations regarding the Transaction (including the scope of the officers and employees of the Target Company involved in evaluating and negotiating and making determinations regarding the Transaction, and their duties) from a standpoint independent from the Tender Offeror, Etc., and obtained approval from the Special Committee that there is no concern with respect to that evaluation framework from the standpoint of independence and fairness.

B Background of Deliberation and Negotiation

Then, the Target Company received advice from a financial point of view, including a report on the result of the valuation of the Target Company Shares and advice on the negotiation policy with ITOCHU, from Daiwa Securities and received legal advice, including advice on measures to ensure the fairness of the procedures in the Transaction, from Mori Hamada & Matsumoto and has carefully discussed and evaluated whether to implement the Transaction and the reasonableness of the transaction terms and conditions, giving the highest degree of respect to the details of the opinion of the Special Committee.

Also, since the receipt of a proposal for the Transaction from ITOCHU on April 4, 2023, the Target Company continued to discuss and negotiate with ITOCHU on the terms and conditions of the Transaction, including the Tender Offer Price.

Specifically, given that the Target Company and the Special Committee received the proposal for the Transaction on April 4, 2023, the Target Company continued evaluations and negotiations at the Special Committee and submitted to ITOCHU written questions regarding the significance and purpose of the Transaction on April 25, 2023. On May 19, 2023, the Target Company and the Special Committee received a written response to such questions from ITOCHU. Furthermore, given such response, the Target Company and the Special Committee submitted additional written questions on May 25, 2023. At the Special Committee meeting held on May 31, 2023, the Target Company and the Special Committee received a response to such questions and explanations about the significance and purpose of the Transaction from ITOCHU, held QA sessions regarding these matters, and also had discussions regarding the significance and purpose of the Transaction. After that, the Target Company and the Special Committee further submitted additional written questions on June 1, 2023 and June 6, 2023 and received written responses to such questions from ITOCHU on June 2, 2023 and June 14, 2023 respectively. In addition, at the Special Committee meeting held on June 22, 2023, the Target Company and the Special Committee once again received explanations about the significance and purpose of the

Transaction from ITOCHU, held QA sessions regarding these matters, and also had discussions regarding the significance and purpose of the Transaction.

The Target Company has engaged in multiple rounds of negotiations with ITOCHU regarding the Tender Offer Price since July 7, 2023. Specifically, as a result of the comprehensive consideration of the information obtained through the due diligence conducted by ITOCHU on the Target Company, the initial analysis of the value of the Target Company Shares conducted by Nomura Securities, the financial advisor of ITOCHU, on the assumption of such information, and the details of the initial analysis of the value of the Target Company Shares conducted by ITOCHU on the assumption of such information, the Target Company received a proposal for the Transaction from ITOCHU on July 7, 2023 including a proposal to set the Tender Offer Price for the Tender Offer at 3,800 yen (a premium of 6.77% on the share price of 3,559 yen, the closing price of the Company shares on the TSE as of the previous business day). However, on July 10, 2023, the Target Company requested a reconsideration of the Tender Offer Price on the grounds that the Tender Offer Price was significantly below the price level reflecting the intrinsic value of the Target Company. In response to this, on July 12, 2023, ITOCHU requested that the Target Company explicitly indicate the reasons why it evaluated the Tender Offer Price presented in the proposal made by ITOCHU on July 7, 2023 to be significantly below the price level reflecting the intrinsic value of the Target Company. Based on such request, on July 14, 2023, the Target Company explained the explicit reasons why the Tender Offer Price presented by ITOCHU in the proposal made on July 7, 2023 was significantly below the price level reflecting the intrinsic value of the Target Company, based on the long-term movement of the market stock price, and made a request to ITOCHU again to raise the Tender Offer Price. Then, upon the Target Company's request, the Target Company received a revised proposal on July 18, 2023 from ITOCHU to set the Tender Offer Price at 4,000 yen (a premium of 12.74% on the share price of 3,548 yen, the closing price of the Company shares on the TSE, as of the previous business day). However, on July 19, 2023, the Target Company requested again a reconsideration of the Tender Offer Price on the grounds that the Tender Offer Price was significantly below the price level reflecting the intrinsic value of the Target Company. After that, upon the Target Company's request, the Target Company received a revised proposal on July 26, 2023 from ITOCHU to set the Tender Offer Price at 4,080 yen (a premium of 16.47% on the share price of 3,503 yen, the closing price of the Company shares on the TSE as of the previous business day). However, on that day, the Target Company requested again to raise the Tender Offer Price on the grounds that the Tender Offer Price was not reached the price that the Target Company can support the Tender Offer based on the result of valuation of the Target Company Shares by the financial advisors of the Target Company and the Special Committee, and the current level of stock price. After that, upon the Target Company's request, the Target Company received a revised proposal on July 27, 2023 from ITOCHU to set the Tender Offer Price at 4,090 yen (a premium of 14.41% on the share price of 3,575 yen as of the previous business day). However, on that day, the Target Company requested again to raise the Tender Offer Price on the grounds that the Tender Offer Price was not reached the price that the Target Company can support the Tender Offer based on the result of valuation of the Target Company Shares by the financial advisors of the Target Company and the Special Committee, and the current level of stock price. Subsequently, upon receiving the Company's request, ITOCHU notified the Company once again on the same day that it would be difficult to raise the Tender Offer Price to 4,200 yen or above, however, on August 1, 2023, the Company again received a proposal from ITOCHU to set the Tender Offer Price at 4,325 yen per share (a premium of 20.07% on the share price of 3,602 yen, the closing price of the Company Shares on the TSE Prime Market as of the previous business day), and on the same day, the

Company sent a response to ITOCHU indicating its acceptance of the proposal and reached agreement to set the Tender Offer Price at 4,325 yen.
During the above deliberation and negotiation processes, when consulting and negotiating with ITOCHU regarding the Tender Offer Price, the Target Company conducted the evaluation, taking into account the opinions of the Special Committee and advice received from Daiwa Securities and Mori Hamada & Matsumoto. At that time, the Special Committee received advice from Plutus Consulting and Shibata, Suzuki & Nakada, advisors of the Special Committee, from time to time, exchanged opinions with the Target Company and advisors of the Target Company, and carried out confirmation and approval as appropriate. Specifically, to start with, the Special Committee confirmed and approved in advance the reasonableness of the details, material assumptions, the preparation process, and the like of the Target Company's business plan that was presented to ITOCHU by the Target Company and constitutes the basis for the calculation of the value of the Target Company Shares by Daiwa Securities and Plutus Consulting. Also, Daiwa Securities, the financial advisor of the Target Company, handled its negotiations with ITOCHU in accordance with the policy for negotiation that was determined in advance upon deliberation at the Special Committee, and whenever it received a proposal on the Tender Offer Price from ITOCHU it immediately made a report to the Special Committee, and received opinions, instructions and requests, etc. on matters, such as the negotiation policy with ITOCHU, from the Special Committee and took measures in accordance with such opinions, instructions and requests, etc.

Also, the Target Company received a written report (the "Report") from the Special Committee on August 1, 2023 stating that the Special Committee believes that (i) it would be appropriate for the board of directors of the Target Company to resolve to express an opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer, and (ii) the determination on the Transaction by the board of directors of the Target Company (in other words, (A) a determination to express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer and (B) a determination on the privatization procedures through the Demand for Share Cash-Out (as defined in "(i) Demand for Share Cash-Out" in "(4) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" below, hereinafter the same applies) or the Share Consolidation (as defined in "(ii) Share Consolidation" in "(4) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" below, hereinafter the same applies) which is conducted after the Tender Offer as part of the Transaction) would not be disadvantageous to the minority shareholders of the Target Company (for details of the Report, please refer to "(iii) Establishment of an Independent Special Committee at the Target Company and Obtainment of a Report from the Special Committee" in "Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3. Outline of the Tender Offer" below). In addition to the Report, the Target Company also received from the Special Committee a share valuation report pertaining to the Target Company Shares that was submitted to the Special Committee by Plutus Consulting on August 1, 2023 (the "Valuation Report (Plutus Consulting)") and a fairness opinion that the Tender Offer Price of 4,325 yen per share is fair to the Target Company's minority shareholders from a financial perspective (the "Fairness Opinion") (for outlines of the Valuation Report (Plutus Consulting) and the Fairness Opinion, please refer to "(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent" in "Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “(ii) Background of Valuation” in “(4)Tender Offer Prices” in “3. Outline of the Tender Offer” below).

C Decisions

In light of this background, the Target Company carefully discussed and evaluated at its board of directors meeting held on August 2, 2023 whether the Transaction, including the Tender Offer, would contribute to enhancing the corporate value of the Target Company and whether the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable, based on legal advice from Mori Hamada & Matsumoto, advice from a financial point of view from Daiwa Securities, and a share valuation report pertaining to the Target Company Shares received from Daiwa Securities on August 1, 2023 (the “Company Valuation Report (Daiwa)”), as well as the Valuation Report (Plutus Consulting) and the Fairness Opinion received through the Special Committee, giving the highest degree of respect to the contents of determinations by the Special Committee presented in the Report.

As a result, as set out below, the Target Company reached the conclusion that the privatization of the Target Company through the Transaction including the Tender Offer by the Tender Offeror will contribute to the enhancement of the corporate value of the Target Company.

The Target Company Group has widely contributed to the customers’ needs and resolution of social issues in every industry by proving IT systems to a wide range of customers while staying ahead of industry trends and IT technology trends at all times since its foundation and utilizing solid partnerships with IT industry leaders in Japan and overseas with advanced technological capabilities.

With respect to the current environment surrounding the Target Company Group, amid the acceleration of DX of society at large due to the effects of COVID-19, purposes of IT investments by customers have shifted from its own cost reduction, business streamlining and the like to a creation of a new business model aimed at improving competitiveness, and the needs for IT services are becoming more sophisticated and diverse.

Specifically, the Target Company Group has been required not only to provide the most appropriate solutions while accurately identifying issues faced by customers but also to organically interweave consulting, data analysis, business design, marketing support, operational improvement (BPO) in addition to IT services to drive customers’ business transformation and solve social issues, and to provide complex and sophisticated value-added services.

In addition, consulting firms with knowledge of their customers’ activities on the business front are flexibly expanding their capabilities through M&A and the like, becoming players that handle everything from consulting to introduction of IT systems, and entering markets where previous system integrators, including the Target Company Group, took the lead.

As such, the business environment surrounding the Target Company Group has experienced significant structural changes, and it is expected to continue to change in the future.

In order to appropriately respond to such long-term changes in the business environment and further enhance the corporate value of the Target Company, the Target Company recognizes that in addition to strengthening and growing the existing businesses, expansion of highly value-added services including consulting, provision of advanced technologies, expansion of business activities in growing markets overseas and securing engineering resources necessary to provide the foregoing, contact with foreign customers, further personnel exchanges with ITOCHU, and the like are necessary and believes that it is also necessary to pursue non-organic growth.

The Target Company believes that the early implementation of the above initiatives is necessary to enhance the corporate value of the Target Company over the medium to long term in the business environment which is expected to change dramatically in the future, in which the Target Company operates, but since it is necessary for the investments to be made in advance for the early implementation of the above initiatives and such investments entails uncertainty, the business performance of the Target Company might deteriorate in the short term. In addition, as long as the Target Company is listed, it will be necessary to pursue the interests of the shareholders of the Target Company, so it is currently difficult to simultaneously and quickly execute investments that might cause the business performance of the Target Company to deteriorate.

Under these circumstances, the Target Company believes that it can steadily realize the above initiatives by utilizing the management resources and know-how of the Target Company as well as the network and know-how of the ITOCHU Group. With respect to the pursuit of non-organic growth, the Target Company is considering collaborating with, or acquiring a third party that can contribute to the enhancement of the corporate value of the Target Company by utilizing the network of the ITOCHU Group, and plans to secure engineering resources and acquire new business opportunities through such collaboration.

However, the Target Company received an explanation that there is an issue under the current capital relationship between ITOCHU and the Target Company, in that a part of the profit of the Target Company Group that is obtained from the management resources allocated to the Target Company Group by ITOCHU flows out to minority shareholders of the Target Company, therefore ITOCHU is unable to obtain all the profit obtained from the management resources it allocated, which creates structural conflicts of interest between ITOCHU and minority shareholders of the Target Company, and as a result, allocation of the management resources to the Target Company Group by ITOCHU will be restricted.

The Target Company reached the conclusion that given the above mentioned business environment surrounding the Target Company Group, the Target Company can expect the creation of the following synergies through flexible and steady implementation of management measures, which will lead to further enhancement of the corporate value of the Target Company, by privatizing the Target Company through the Transaction, resolving the structural conflicts of interest between ITOCHU and minority shareholders of the Target Company and enabling further allocation of the management resources to the Target Company Group by ITOCHU.

I. Acceleration of Growth Strategies by Securing Engineering Resources

Since approximately 70% of the members of the Target Company Group are engineers, the Target Company Group has established a system for training and utilizing the capacity of engineers who perform a role in the creation of value of the Target Company Group, and have expanded our businesses through a system of collaboration with alliance partners (domestic and overseas SI partners). While the Target Company assumes that in association with changes in the business environment surrounding the Target Company Group, the competition for engineering resources will further intensify in the future, it believes that the acceleration of growth strategies can be expected in the Target Company Group by utilizing ITOCHU's network or collaboration opportunities in various industry areas, countries or regions. For example, the Target Company believes that engineering resources are expected to be secured over the short term and medium to long term through a capital alliance with domestic and overseas major offshore and onshore development companies through ITOCHU, and further strengthening of a system of collaboration with alliance partners will lead to the acceleration of growth strategies.

II. Expansion of Business Areas through Improvement of the Digital Value Chain

ITOCHU has been undertaking improvement of its digital value chain for some time. The Target Company Group utilizes solid partnerships with IT industry leaders in Japan and overseas with advanced technological capabilities, and provides IT systems to a wide range of customers. The Target Company believes that by closely cooperating with companies that have various functions such as consulting and data analysis, UI design (Note 1) and UX design (Note 2) in various business channels owned by ITOCHU Group, the Target Company, together with ITOCHU, will be able to provide customers with a digital value chain with higher added value, and expects to expand its business areas as a result.

(Note 1) UI (User Interface) design refers to design services or products so that users can use them easily.

(Note 2) UX (User Experience) design refers to design services and products in order to improve all aspects of users' customer experience through services or products.

III. Expansion and Sophistication of Global Business Deployment

The Target Company believes that by utilizing ITOCHU's management know-how and network in foreign countries, in addition to the Target Company's global partnership with the world's leading IT vendors, the Target Company will be able to achieve expansion and sophistication of business activities in developed IT markets such as North America. The Target Company also believes that it can increase overseas profits by globally deploying know-how in provision of IT systems in Japan by using ITOCHU's network. For example, the Target Company believes that the Target Company will be able to expand customer bases through the acquisition of or collaboration with North American companies using ITOCHU's network, and secure access to or form a technical alliance with partners with advanced IT technologies.

IV. Further Strengthening of Comprehensive Capabilities of the Target Company Group through More Active Personnel Exchanges

The main personnel exchanges in the past have been between the Target Company and the ICT Division and IT & Digital Strategy Division of ITOCHU. The Target Company believes that by expanding the scope of personnel exchanges to other divisions and group companies of ITOCHU in the future, the Target Company will be able to increase the number of cases of DX provision to various divisions of the ITOCHU Group, and link such cases to service modelling, thereby increasing profits through horizontal expansion to customer companies.

In addition, the Target Company believes that seeking to improve skills of the employees of the Target Company Group through more active personnel exchanges between the Target Company Group and the ITOCHU Group will enable the Target Company to realize the provision of high-added-value services to customer companies. The Target Company Group believes that accelerating acquisition of new career opportunities through the knowledge and experience of the business front of the ITOCHU Group, as a client-side for IT utilization and digitalization, experience engaging in M&A, capital alliances and business alliances, experience in business management in Japan and overseas, and other experiences will enable the Target Company Group to further enhance the comprehensive capabilities of the Target Company Group.
The Target Company has considered the possibility of an impact on its business partners and other stakeholders, due to a decline in its brand power as a listed company, as well as a decline in the motivation of its employees, caused by the Target Company going private through the Transaction. However, as stated in "(b) Management Policy after the Completion of the Tender Offer" below, ITOCHU intends to discuss the Target Company's management structure and the composition of its Board of Directors with the Tender Offerors and the Target Company after the Transaction, aiming to create an appropriate governance structure that respects the uniqueness of the Target Company and maximizes the realization of synergy effects as a member of the ITOCHU Group, including the Company; at this time, there is no matter decided as to the changes in the Target Company's continued employment policy or treatment after the Tender Offer and the transfer of employees to ITOCHU Group companies other than the Target Company (however, the policy or treatment, or the assignment may be changed after consultation with the Target Company if it is determined that it is strategically and rationally necessary in the future); in addition, in light of the ongoing growth and structural changes in the domestic IT market and the important issue of securing engineering resources, ITOCHU intends to consider measures to improve the branding of the Target Company carefully, in order to maintain the motivation of its employees while also taking into consideration the Target Company's intentions. In light of this, the Target Company believes that the Target Company going private through the Transaction will be acceptable to the Target Company Group's business partners, employees, and other stakeholders.

The Target Company also has determined that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable, and that the Tender Offer would provide the shareholders of the Target Company with an opportunity to sell their shares at a price inclusive of a reasonable premium and upon reasonable terms and conditions, based on:

(a) the fact that the price exceeds the upper limit of the calculation result using the market price method and the comparable company comparison method, and is within the range of the calculation result using the DCF method, in the calculation result of the share price valuation of the Company Shares by Daiwa Securities stated in "(ii) Acquisition of a Stock Valuation Report by the Target Company from an Independent Third-Party Valuation Firm" in "Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3. Outline of the Tender Offer" below;

(b) the fact that the price exceeds the upper limit of the calculation result using the market price method and the comparable company comparison method, and exceeds the median value of the calculation result using the DCF method, in the calculation result of the share price valuation of the Target Company Shares by Plutus Consulting in the Valuation Report (Plutus Consulting) stated in "(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent" in "Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3. Outline of the Tender Offer" below. The Special Committee also obtained the Fairness Opinion from Plutus Consulting, which states to the effect that 4,325 yen per share as the Tender Offer Price is fair to the minority shareholders of the Target Company from a financial point of view;

(c) the fact that the price represents (a) a premium of 18.69% on 3,644 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of August 1, 2023, which is the business day immediately preceding the announcement date of the Tender Offer, (b) a premium of 21.59% on 3,557 yen, which is the simple average closing price for the one-month period ending on that day (from July 3, 2023 to August 1, 2023) (rounded to two decimal places; the same applies for calculations of simple average closing prices hereinafter), (c) a premium of 20.57% on 3,587 yen, which is the simple average closing price for the three-month period ending on that day (from May 2, 2023 to August 1, 2023), and (iv) a premium of 27.36% on 3,396 yen, which is the simple average closing price for the six-month period ending on the that day (from February 2, 2023 to August 1, 2023);

(d) the fact that the price is set to be equal to the highest closing price of the Company Shares in the previous 20 years (meaning the closing price on August 3, 2020) in light of the long-term share price trends of the Company;

(e) the fact that it is deemed that measures to ensure fairness of the Tender Offer stated in "(iii) Establishment of an Independent Special Committee at the Target Company and Obtainment of a Report from the Special Committee" in "Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3. Outline of the Tender Offer" below have been taken and the interests of general shareholders are secured;

(f) the fact that the price is a price increased from 3,800 yen, the initial offer price proposed by ITOCHU, based on sufficient negotiations conducted on multiple occasions with ITOCHU, in which the Special Committee independent of the Company and the Tender Offeror, Etc. was substantially involved, and after the Company taking sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price stated in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation " in "(4) Basis for Valuation of the Tender Offer Price" in "3. Outline of the Tender Offer" below; and

(g) the fact that as stated in "Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" in "(ii) Background of Valuation" in "(4) Basis for Valuation of the Tender Offer Price" in "3. Outline of the Tender Offer" below, in the Report obtained from the independent Special Committee at the Company, the Special Committee determined that the appropriateness of the terms and conditions of the Transaction including the Tender Offer Price had been ensured.

Based on the above, at its board of directors meeting held on August 2, 2023, the Target Company passed a resolution to express an opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer.

For the details of the method of the resolution of the Target Company's board of directors described above, please refer to "(viii) Approval of All Disinterested Directors at the Target Company and Opinion of All Disinterested Audit and Supervisory Board Members that They Had No Objection" in "Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "(ii) Background of Valuation" in "(4)Tender Offer Prices" in "3. Outline of the Tender Offer" below.

(b) Management Policy after the Completion of the Tender Offer

In order to consistently achieve the synergy effect stated in "(a) Background, Purpose, and Decision-Making Process Leading to the Decision by the Tender Offeror to Conduct the Tender Offer" above, the Tender Offerors and the Target Company will accelerate collaboration between the ITOCHU Group and the Target Company, and, through sufficient discussions between Tender Offerors and the management of the Target Company, will deliberate over matters such as strengthening offerings for the business front (LOB)/reforming the business model, accelerating the existing growth strategies in Japan and overseas, enhancing the comprehensive capabilities of the ITOCHU Group, including the Target Company, by increased personnel exchanges. The management structure and composition of the board of directors of the Target Company after the Tender Offer, including whether any officers will be dispatched and other personnel matters, has not been decided at this point, and discussions will be held between the Tender Offerors and the Target Company after the Transaction with the aim to build a structure that enables appropriate governance that respects the Target Company's uniqueness and actualizes to the maximum extent the synergy effect as the ITOCHU group. In addition, at this time, although there is no matter decided as to the changes in the Target Company's continued employment policy or treatment after the Tender Offer and transfer employees to ITOCHU Group companies other than the Target Company, we may change the policy or treatment, or change the assignment after consultation with the Target Company if it is determined that it is strategically and rationally necessary in the future.
Furthermore, as the IT domestic market continues to grow and undergo structural changes, and ensuring engineer resources will be an important issue, ITOCHU will consider measures to improve the Target Company's branding in order to maintain employee motivation, while also taking into consideration the Target Company's intentions. After the Tender Offer, the Target Company is preparing to establish a employee shareholding association regarding ITOCHU's shares.

(3) 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

Considering that the Target Company is a subsidiary of ITOCHU, the parent company of the Tender Offeror, and that this transaction, which includes the Tender Offer, constitute a transaction that are typified by issues such as the existence of structural conflicts of interest and information asymmetry, the Target Company is implementing the following measures to address those issues and to ensure the fairness of the Transaction. The measures taken by the Target Company described below are set forth based on the explanation by the Target Company.

As described in "(1) Outline of the Tender Offer" above, as of today, the Tender Offeror does not hold any Target Company Shares. However, ITOCHU, the parent company of the Tender Offeror, holds 141,601,600 Target Company Shares (Ownership ratio: 61.24%). Therefore, considering that setting the lower limit on the number of shares to be purchased through the Tender Offer by the so-called "majority of minority" will make completion of the Tender Offer unpredictable and will not be in the best interests of minor shareholders of the Target Company who wish to tender in the Tender Offer, no lower limit on the number of shares to be purchased in the Tender Offer by the "majority of minority" was set. However, the Tender Offerors and the Target Company took the measures set out below to ensure the fairness of the Tender Offer. Thus, Tender Offerors believe that the interests of the minority shareholders of the Target Company were sufficiently considered. Furthermore, the Special Committee determined in the Report that in light of the fact that other measures were taken that were sufficient to ensure fairness, the mere fact that the majority of the minority condition was not set does not mean that appropriate measures to ensure fairness have not been taken, and the Target Company came to the same conclusion.

(i) Acquisition of a stock valuation report by ITOCHU from an independent third-party valuation organization
(ii) Acquisition of a stock valuation report by the Target Company from an independent third-party valuation organization
(iii) Establishment of an independent Special Committee and acquisition of a Report from the Special Committee
(iv) Acquisition of a stock valuation report and a fairness opinion by the Special Committee from an independent third-party valuation organization
(v) Obtaining of advice by the Special Committee from an independent law firm
(vi) Obtaining of advice by the Target Company from an independent law firm
(vii) Building an independent deliberation system at the Target Company
(viii) Approval of all directors without conflicts of interest and opinion of non-objection of all audit and supervisory board members without conflicts of interest of the Target Company
(ix) No existence of deal protection clauses
(x) Measures for securing opportunities for the shareholders of the Target Company to decide whether or not to Tender Their Shares in the Tender Offer

For details regarding the above, please refer to "(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)" in "(ii) Background of Valuation" in "(4) Basis for Valuation of the Tender Offer Price" in "3.Outline of the Tender Offer" below.

(4) Policy for Reorganization after the Tender Offer (Matters Concerning the So-Called “Two-Step Acquisition”)

As stated in “(1) Outline of the Tender Offer” above, should not all of the Target Company Shares be acquired through the Tender Offer (excluding the Target Company Shares held by ITOCHU and the treasury shares held by the Target Company), the Tender Offeror plans to implement the following Squeeze-Out Procedures after the completion of the Tender Offer.

(i) Demand for Share Cash-Out

If, after completion of the Tender Offer, the total number of the voting rights of the Target Company owned by the Tender Offerors becomes 90% or more of the voting rights owned by all shareholders of the Target Company, and ITOCHU becomes a special controlling shareholder defined in Article 179, paragraph 1 of the Companies Act, ITOCHU plans to demand that all of the shareholders of the Target Company (excluding the Tender Offerors and the Target Company) (the “Selling Shareholders”) sell all of the Target Company Shares owned by them to ITOCHU pursuant to the provisions of Section 4-2 of Chapter 2 of Part II of the Companies Act immediately after the settlement of the Tender Offer is completed (the “Demand for Share Cash-Out”). In the Demand for Share Cash-Out, it is planned to provide that the same amount of money as the Tender Offer Price will be delivered to the Selling Shareholders in exchange for one Target Company Share. In this case, ITOCHU will give the Target Company a notice to that effect, and will seek an approval for the Demand for Share Cash-Out from the Target Company. If the Target Company approves the Demand for Share Cash-Out through a resolution at a board of directors’ meeting, ITOCHU will acquire all of the Target Company Shares owned by the Selling Shareholders from them on the acquisition date provided in the Demand for Share Cash-Out, without obtaining individual approval from each Selling Shareholder, in accordance with the procedures provided by relevant laws and regulations.

According to the Target Company’s press release, if the Target Company receives a notice from ITOCHU on its intention to make the Demand for Share Cash-Out and the matters set forth in the items of paragraph 1 of Article 179-2 of the Companies Act, the Target Company will approve the Demand for Share Cash-Out by ITOCHU at its board of directors’ meeting.

If the Demand for Share Cash-Out is conducted as a procedure under the Companies Act aiming to protect minority shareholders’ rights related to the above procedures, it is provided that the Selling Shareholders may file a petition with the court to determine the purchase price of the Target Company Shares owned by them pursuant to the provisions of Article 179-8 of the Companies Act and other related laws and regulations. If the petition is filed, the purchase price of the Target Company Shares will ultimately be determined by the court.

(ii) Share Consolidation

If after the Tender Offer is completed, the total number of the voting rights of the Target Company owned by the Tender Offerors does not reach 90% or more of the voting rights owned by all shareholders of the Target Company, the Tender Offerors plan to request, promptly after the settlement of the Tender Offer is completed, that the Target Company hold a special shareholders’ meeting around November 2023, whose agenda items will include implementation of a share consolidation of the Target Company

Shares pursuant to Article 180 of the Companies Act (the "Share Consolidation") and a partial amendment of the articles of incorporation to abolish the provisions on share unit numbers subject to effectuation of the Share Consolidation (the "Special Shareholders' Meeting"). According to the Target Company's press release, if the Tender Offerors make this request, the Target Company will accept it. Furthermore, the Tender Offerors plan to support each of the agenda items described above at the Special Shareholders' Meeting.

If the Share Consolidation agenda is approved at the Special Shareholders' Meeting, the Target Company's shareholders will each, as of the date the Share Consolidation is to take effect, own the number of the Target Company Shares equivalent to the Share Consolidation ratio approved at the Special Shareholders' Meeting. If the Share Consolidation results in fractional shares that are less than one share, the money to be obtained by selling the Target Company Shares equivalent to the sum total of such fractional shares (if the sum total contains fractional shares less than one share, the fractional shares shall be rounded down; the same applies hereinafter) to the Target Company or the Tender Offerors will be delivered to the Target Company's shareholders to whom fractions occurred in accordance with the provisions in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Company Shares that equal the total number of the fractional shares, the Tender Offerors plan to request that the Target Company file a petition for voluntary sale permission with the court, so that the amount of money to be delivered as a result of the sale, to the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offerors and the Target Company), will be equal to the amount calculated by multiplying the Tender Offer Price by the number of the Target Company Shares owned by each shareholder.

Although the Share Consolidation ratio is undetermined as of today, the Tender Offeror plans to request that the Target Company determine the ratio so that the number of the Target Company Shares owned by the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offerors and the Target Company) will be fractions that are less than one share, intending to make the Tender Offerors own all Target Shares (excluding the treasury shares held by the Target Company).

Furthermore, as the provisions aiming to protect minority shareholders' rights related to the Share Consolidation, the Companies Act provides that if the Share Consolidation results in fractional shares that are less than one share, the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offerors and the Target Company) may demand that the Target Company purchase all of the fractional shares less than one share owned by them at a fair price and may file a petition with 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. If such a petition is filed, the purchase price will ultimately be determined by the court.

The procedures for (i) and (ii) described above may require a certain amount of time to be implemented or may be subject to change in the implementation methods, depending on the amendments to relevant laws and regulations, their implementation, and their interpretation by relevant authorities. However, even in such cases, if the Tender Offer is completed, the methods by which money will eventually be delivered to the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offerors and the Target Company) will be adopted, and the amount of money to be delivered to the relevant Target Company's shareholders in those cases will be calculated so that it will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by the relevant Target Company's shareholders.

The specific procedures and timeline of the implementation in the above cases will be announced by the Target Company promptly after they are determined by the Tender Offeror after discussions with the Target Company.

The Tender Offer is not intended to solicit the Target Company's shareholders for support at the Special Shareholders' Meeting. The Target Company's shareholders are asked to consult with experts such as tax accountants at their own responsibility concerning the handling of tax affairs in tendering their shares in the Tender Offer or the above procedures.

Furthermore, the Tender Offerors are considering searching for a partner enterprise that can contribute to creating synergy between the Tender Offerors and the Target Company after completion of the Squeeze-Out Procedures. If an applicable enterprise exists, the Tender Offerors are considering accepting a few percent or less investment by such enterprise in the Tender Offeror or the Target Company through good faith consultations with the Target Company and the enterprise. However, details such as the specific method, investment ratio, and the date have not yet been determined as of today.

(5) The Possibility of Delisting and Reasons Thereof

As of today, the Target Company Shares are listed on the Prime Market of the TSE. Since the Tender Offeror has set no maximum number of shares to be purchased in the Tender Offer, the Target Company Shares may be delisted depending on the results of the Tender Offer after following the designated procedures pursuant to the delisting standards established by the TSE. Even if the delisting standards do not apply to the Target Company Shares at the time of the completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures as described in "(4) Policy for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" above after the completion of the Tender Offer. Therefore, if the procedures are implemented, the delisting standards set by TSE will then apply, and the Target Company Shares will be delisted following the designated procedures. The Target Company Shares cannot be traded of the TSE prime market after delisting.

(6) Matters Concerning Material Agreements Related to the Tender Offer

Not applicable.

3. Outline of the Tender Offer

(1) Outline of the Target Company

(i) Name	ITOCHU Techno-Solutions Corporation
(ii) Location	4-1-1 Toranomon, Minato-ku, Tokyo
(iii) Name and Title of Representative	Ichiro Tsuge, President & CEO

(iv)	Description of Business Activities	Businesses such as sales, maintenance, and support of computer network systems, commissioned software development, and data center service and support etc.
(v)	Capital	21,764 million yen (as of March 31, 2023)
(vi)	Date of Establishment	July 11, 1979
(vii)	Major Shareholders and Ownership Percentages (as of March 31, 2023)	ITOCHU Corporation 61.24% The Master Trust Bank of Japan, Ltd. (Trust Account) 7.79% Custody Bank of Japan, Ltd. (Trust Account) 4.73% CTC Employee Shareholding Association 1.95% STATE STREET BANK WEST CLIENT – TREATY 505234 (standing proxy: Settlement & Cleaning Services Dept., Mizuho Bank, Ltd.) 0.87% BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (standing proxy: Transaction Services Division, MUFG Bank, Ltd.) 0.65% The Gibraltar Life Insurance Co., Ltd. (General Account Stock D Account) (standing proxy: Custody Bank of Japan, Ltd.) 0.61% JP MORGAN CHASE BANK 385781 (standing proxy: Settlement Sales Dept., Mizuho Bank, Ltd.) 0.55% STATE STREET BANK AND TRUST COMPANY 505025 (standing proxy: Settlement & Cleaning Services Dept., Mizuho Bank, Ltd.) 0.55% SSBTC CLIENT OMNIBUS ACCOUNT (standing proxy: Tokyo Branch of Hong Kong Shanghai Bank) 0.50%
(viii)	Relationship Between the Listed Companies and the Target Company	
	Capital Relationship	ITOCHU, which is the parent company of the Tender Offeror holds 141,601,600 Target Company Shares (Ownership Ratio 61.24%). The Target Company is a subsidiary of ITOCHU.
	Personnel Relationship	Three of the seven directors of the Target Company are originally from ITOCHU or currently related to ITOCHU, which is the parent company of the Tender Offeror. One of the four Audit and supervisory board member of the Target Company is originally from ITOCHU. In addition, as of August 2, 2023, 14 employees of the Target Company are seconded to ITOCHU, and 10 employees of ITOCHU are seconded to the Target Company.
	Business Relationship	There are transactions concerning the purchase and sales of merchandise, etc. between ITOCHU, which is the parent company of the Tender Offeror, and the Target Company Group.
	Status as Related Parties	The Target Company is a subsidiary of ITOCHU, which is the parent company of the Tender Offeror. Therefore, the Target Company is a related party of ITOCHU, and the Target Company and ITOCHU are mutually related parties.

(Note) "Major Shareholders and Ownership Percentages (as of March 31, 2023)" is based on "the Major Shareholders," as stated in the Target Company's Securities Report for the 44th term submitted on June 16, 2023.

(2) Schedule, etc.

(i) Schedule

Date of Resolution of the Board of Directors	August 2, 2023 (Wednesday)
Date of Public Notice for Commencement of Tender Offer	August 3, 2023 (Thursday) Electronic public notice is issued and the notice to that effect is posted in the *Nihon Keizai Shimbun* (Japanese Only). (URL of electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Submission Date of Tender Offer Registration Statement	August 3, 2023 (Thursday)

(ii) Tender Offer Period Originally Specified in the Registration Statement

From August 3, 2023 (Thursday) to September 14, 2023 (Thursday) (30 business days)

(iii) Possibility of Extension Upon Request of the Target Company

Not applicable

(3) Tender Offer Price

4,325 yen per common share

(4) Basis for Valuation of the Tender Offer Price

(i) Basis for Valuation

When determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, ITOCHU requested that Nomura Securities, a financial advisor of ITOCHU, as a third-party valuation firm independent from the Tender Offerors and the Target Company, evaluate the Target Company Shares.

After reviewing the financial condition of the Target Company and trends in the market price of Target Company Shares, Nomura Securities reached the view that the value of the Target Company Shares should be evaluated from multi-viewpoints. As a result of considering the valuation methods to be applied among several methods to evaluate the value of the Target Company Shares, Nomura Securities elected to use the following methods: the average market price method, due to the existence of the market share price; comparable company analysis method, due to the fact that the existence of listed companies comparable to the Target Company enabled valuation of the value of the Target Company Shares by analogy; and the DCF Method, in order to reflect future business activities. ITOCHU has received a stock valuation report (hereinafter referred to as the "Tender Offeror Stock Valuation Report") from Nomura Securities on August 2, 2023. Nomura Securities is not a related party of the Tender Offerors or the Target Company and does not have any material interest in the Tender Offer. Furthermore, by comprehensively considering the factors stated in "(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)" in "(ii) Background of Valuation" in "(4) Basis for Valuation of the Tender Offer Price" in "3. Outline of the Tender Offer" below, ITOCHU considers that the interests of the Target Company's minority shareholders have been sufficiently considered. Therefore, ITOCHU has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

The ranges of the per-share-value of the Target Company Shares evaluated by Nomura Securities using each of the above methods are as follows:

Average market price method:	3,396 yen to 3,644 yen
Comparable company analysis method:	3,135 yen to 3,905 yen
DCF Method:	3,635 yen to 4,605 yen

The analysis under the average market price method demonstrates that the range of the per-share-value of the Target Company Shares is between 3,396 yen and 3,644 yen, on the basis that the closing price of Target Company Shares on the record date was 3,644 yen; a simple average of the closing prices of Target Company Shares in the previous five business days was 3,579 yen; a simple average of the closing prices of Target Company Shares in the previous month was 3,557 yen; a simple average of the closing prices in the previous three months was 3,587 yen; and a simple average of the closing prices in the previous six months was 3,396 yen, all of which prices are those on the Prime Market of the TSE having August 1, 2023, as the record date.

Under the comparable company analysis method, through comparison with the market prices and financial indicators showing profitability of listed companies that engage in businesses comparatively similar to those of the Target Company, the analysis demonstrates that the range of the per-share-value of the Target Company Shares is between 3,135 yen and 3,905 yen.

The analysis under the DCF Method demonstrates that the range of the per-share-value of the Target Company Shares is between 3,635 yen and 4,605 yen, as a result of analyzing the corporate value and the share value of the Target Company by discounting the free cash flow that is expected to be generated by the Target Company in the future with a certain discount rate, based on the estimated revenue of the Target Company from the fiscal year ending March 2024, taking into consideration revenue and investment plans in the business plan for the five fiscal years from the fiscal year ending March 2024 through the fiscal year ending March 31, 2028, received from the Target Company (the business plan received from the Target Company does not include the free cash flow) and provided after modification by ITOCHU, management interview of the Target Company, recent trends in the business performance, information publicly available and other factors. The business plan of the Target Company based on the DCF Method does not include fiscal years in which a substantial increase/decrease in profit is expected.

That business plan is not premised on the Transaction being implemented, and does not reflect the synergies expected by the Transaction being completed because it is difficult to specifically estimate those synergies at present.

By cumulatively considering the valuation results of the value of the Target Company Shares stated in the Tender Offeror Stock Valuation Report obtained from Nomura Securities, as well as the results of the due diligence conducted with respect to the Target Company from late April 2023 to late June 2023, the possibility of obtaining support for the Tender Offer from the Target Company's board of directors, and the outlook for the applications for the Tender Offer, and based on results of the discussions and negotiations of the Target Company, ITOCHU ultimately decided on August2, 2023, that the Tender Offer Price would be 4,325 yen.

The Tender Offer Price of 4,325 yen is the amount obtained by adding a premium of 18.69% to 3,644 yen, which is the closing price of Target Company Shares on the Prime Market of the TSE on August 1, 2023, the business day immediately prior to the date of the announcement regarding the conduct of the Tender Offer, 21.59% to 3,557 yen, which is the simple average closing price for the past month, 20.57% to 3,587 yen, which is the simple average closing price for the past three months, and 27.36% to 3,396 yen, which is the simple average closing price for the past six months, respectively.

(Note) In evaluating the Target Company Shares, Nomura Securities has assumed, without independent verification, the accuracy and completeness of the information that was publicly available or supplied to it. Nomura Securities has not made any independent valuation, assessment, or appraisal of the assets or liabilities (including financial derivatives, out-of-book assets and liabilities, and other contingent liabilities) of the Target Company and its related companies, including analysis and valuation of individual assets and liabilities, nor has Nomura Securities requested an assessment or appraisal from any third-party organization. With respect to the financial projections (including the profit plan and other information) of the Target Company, Nomura Securities has assumed that they have been reasonably examined or revised by the management of ITOCHU based on the best and most faithful projections and judgments available at present. The valuation by Nomura Securities reflects the information and economic conditions that it obtained by August 1, 2023. The aim of Nomura Securities' valuation is only to contribute to the examination by the board of directors of ITOCHU of the value of the Target Company Shares.

(ii) Background of Valuation

(Background Leading to Determination of the Tender Offer Price)

In early March 2023, to actualize the further enhancement of ITOCHU and the Target Company's corporate values, ITOCHU concluded that it would be best to align the interests of the Target Company and ITOCHU more strongly than before by taking the Target Company private and to put in place a structure that enables the prompt and flexible mutual utilization of their management resources; and it commenced initial deliberations accordingly.

In early March 2023, ITOCHU retained Nomura Securities as a financial advisor and third-party valuation firm independent from the ITOCHU Group (including ITOCHU and the Target Company), and Nishimura & Asahi as a legal advisor, and built a structure for discussions and negotiation with regard to taking the Target Company private. On March 7, 2023, ITOCHU notified the Target Company to the effect that it would like to commence deliberations toward taking the Target Company private. Subsequently, ITOCHU began deliberations on the expected synergy, and on April 4, 2023, submitted to the Target Company an initial proposal letter stating the background for ITOCHU offering the Transaction and the growth strategy after implementing the Transaction.

In response to the above notification dated March 7, 2023, from ITOCHU to the Target Company, in deliberating over the Transaction and conducting discussions and negotiation concerning the Transaction with ITOCHU, the Tender Offeror considered the following: that ITOCHU is a controlling shareholder (parent company) of the Target Company whose ownership ratio in the Target Company Shares is 61.24%; and that the Transaction, including the Tender Offer, constitutes a material transaction with the controlling shareholder; furthermore, it is a type of transaction that is typified by issues such as the existence of structural conflicts of interest and information asymmetry. Therefore, to address those issues and to ensure the fairness of the Transaction, according to the Target Company, in early March 2023, it appointed Mori Hamada & Matsumoto as a legal advisor independent from Tender Offeror, Etc., and the Target Company Group. It also appointed Daiwa Securities as a financial advisor and third-party valuation organization independent from the Tender Offeror, Etc. and the Target Company Group. According to the Target Company, on April 4, 2023, it again received a proposal letter regarding the Transaction from ITOCHU. In response to the proposal, based on the advice of Mori Hamada & Matsumoto, the Target Company immediately began to establish a system to deliberate, negotiate, and make decisions with regard to the Transaction from the perspective of improving the Target Company's corporate value and ensuring the interests of the Target Company's general shareholders from a position independent of the ITOCHU in order to ensure fairness of the Transaction. Specifically, as stated in "(iii) Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" below, the Target Company proceeded to prepare the special committee; then, by the resolution adopted by the Target Company's board of directors at the meeting held on April 7, 2023, right after the Target Company received the proposal letter from ITOCHU on April 4, the Target Company established Special Committee. (For the background to the establishment, the deliberations, specific determinations, etc., of the Special Committee, please see "(iii) Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" below). Then, the Target Company and the Target Company commissioned the Special Committee to consider the Matters of Inquiry. Further, in establishing the Special Committee, the Target Company's board of directors resolved (i) that when it makes decisions regarding the Transaction, including the decision on whether to approve or disapprove the Tender Offer, at the board of directors meeting, it will give maximum respect to the contents of the Special Committee's decisions; and (ii) that it will not approve the Transaction under the proposed transaction terms if the Special Committee deems these terms unreasonable. Furthermore, the Target Company's board of directors resolved that it authorizes the Special Committee to (i) be substantially involved in the negotiation process between the Target Company and ITOCHU (including providing instructions or making requests concerning the negotiation policy with ITOCHU, as necessary); (ii) to appoint or designate its own financial advisor, third-party valuation organization, or legal advisor, as necessary, when deliberating over and making decisions on the Matters of Inquiry (with the costs incurred in this case to be borne by the Target Company), or to designate or approve (including ex-post facto approval) the Target Company's financial, legal, or other advisors; and (iii) to receive, as necessary, from the Target Company's officers and employees, or other persons deemed necessary by the Special Committee reasonably necessary information for deliberating and deciding on the Matters of Inquiry.

Note that as stated in "(iii) Establishment of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(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)" below, on April 7, 2023, the Special Committee, based on the authorities granted as above, appointed Shibata, Suzuki & Nakada as its own legal advisor, and Plutus Consulting, as its own financial advisor and third-party valuation organization.

ITOCHU and the Target Company commenced specific discussions and deliberations for the Transaction based on the above.

ITOCHU conducted due diligence with regard to the Target Company from late April 2023 to late June 2023 to examine the feasibility of the Tender Offer. In parallel, ITOCHU repeatedly discussed the significance and purpose of the Transaction, the synergy effect expected to be generated by the Transaction, the management structure and business policies to be put in place after the Transaction, and industry prospects with the Target Company and the Special Committee. Specifically, on April 25, 2023, ITOCHU received written inquiries from the Target Company and the Special Committee concerning the significance and purpose of the Transaction, (in response to the proposal letter dated April 4, 2023), and submitted a written response to these inquiries on May 19, 2023. Based on this response, on May 25, 2023, ITOCHU received additional written inquiries from the Target Company and the Special Committee. During the Special Committee meeting held on May 31, 2023, ITOCHU responded to these inquiries and explained the significance and purpose of the Transaction, and held Q&A sessions and discussions on the significance and purpose of the Transaction. Subsequently, ITOCHU received additional written inquiries from the Target Company and the Special Committee on June 1, 2023, and June 6, 2023 and provided written responses respectively on June 2, 2023, and June 14, 2023. Furthermore, during the Special Committee meeting held on June 22, 2023, ITOCHU again provided explanations on the significance and purpose of the Transaction, held Q&A sessions, and exchanged opinions on the significance and purpose of the Transaction, the synergy effect expected to be generated by the Transaction, the management structure and business policies to be put into place after the Transaction, and industry prospects.

Since July 7, 2023, ITOCHU repeatedly negotiated the Tender Offer Price with the Target Company. In particular, ITOCHU comprehensively considered information obtained from the due diligence that ITOCHU conducted with regard to the Target Company, the initial share value analysis of the Target Company conducted by Nomura Securities, ITOCHU's financial advisor based on such information, and the initial share value analysis of the Target Company conducted by ITOCHU based on such information. ITOCHU then made a proposal for the Transaction on July 7, 2023, which involved setting the Tender Offer Price as of the Tender Offer at 3,800 yen (6.77% premium on the share price of 3,559 yen as of the immediately preceding business day) . However, on July 10, ITOCHU received a request from the Target Company to reconsider the Tender Offer Price, reasoning that the Tender Offer Price was significantly lower than the level of price that reflected the intrinsic value of the Target Company. In response, on July 12, ITOCHU requested that the Target Company specify the reasons for evaluating that the Tender Offer Price ITOCHU indicated in its proposal on July 7 was significantly lower than the level of price that reflected the intrinsic value of the Target Company. Based on this request, on July 14, the Target Company provided ITOCHU with specific reasons for evaluating that the Tender Offer Price ITOCHU indicated in its proposal on July 7 was significantly lower than the level of price that reflected the intrinsic value of the Target Company, and requested again that the Tender Offer Price be raised. Subsequently, on July 18, based on the Target Company's request, ITOCHU reproposed the Tender Offer Price, setting the Tender Offer Price at 4,000 yen (12.74% premium on the share price of 3,548 yen as of the immediately preceding business day). However, the Special Committee expressed its opinion that the price was not enough to support the Tender Offer, and ITOCHU received a request from the Target Company to raise the Tender Offer Price again on July 19. Based on the Target Company's request, on July 26, ITOCHU reproposed the Tender Offer Price, setting the Tender Offer Price at 4,080 yen (16.47% premium on the share price of 3,503 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day). However, the Target Company expressed that the price was not enough to support the Tender Offer, and ITOCHU received a request from the Target Company to raise the Tender Offer Price again on July 26. Based on the Target Company's request, on July 27, ITOCHU reproposed the Tender Offer Price, setting the Tender Offer Price at 4,090 yen (14.41% premium on the share price of 3,575 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day).After that, in light of the significance of this matter, ITOCHU held discussions on the price again, and as a result of consideration, ITOCHU proposed the Tender Offer Price setting the Tender Offer Price at 4,200 yen (19.69% premium on the share price of 3,509 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day) on July 31. However, on that day, the Target Company expressed that price was not enough to support the Tender Offer, and ITOCHU received a request from the Target Company to raise the Tender Offer Price again. Based on the Target Company's request, on the same day, ITOCHU notified the Target Company that it would be difficult to raise the Tender Offer Price from 4,200 yen (19.69% premium on the share price of 3,509 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day). Since there was no response from the Target Company even after the Special Committee held after the proposal, ITOCHU proposed the Tender Offer Price setting the Tender Offer Price at 4,325 yen (20.07% premium on the share price of 3,602 yen, the closing price of the Target Company shares on the TSE as of the immediately preceding business day), the highest closing price of the Target Company's market share price in the last 20 years on August 1. As a result, ITOCHU received a response from the Target Company to the effect that it would agree to set the Tender Offer Price at 4,325 yen as proposed by ITOCHU and reached an agreement on the same day.

When determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, ITOCHU requested that Nomura Securities, a financial advisor of ITOCHU, as a third-party valuation firm independent from the Tender Offerors and the Target Company, evaluate the Target Company Shares.

After reviewing the financial condition of the Target Company and trends in the market price of Target Company Shares, Nomura Securities reached the view that the value of the Target Company Shares should be evaluated from multi-viewpoints. As a result of considering the valuation methods to be applied among several methods to evaluate the value of the Target Company Shares, Nomura Securities elected to use each of the following methods: the average market price method, the comparable company analysis method and the DCF Method. ITOCHU has received the Tender Offeror Stock Valuation Report from Nomura Securities on August 2, 2023. Nomura Securities is not a related party of the Tender Offerors or the Target Company and does not have any material interest in the Tender Offer. Furthermore, by comprehensively considering the factors stated below, ITOCHU considers that the interests of the Target Company's minority shareholders have been sufficiently considered. Therefore, ITOCHU has not obtained a written opinion concerning the fairness of the Tender Offer Price (known as a fairness opinion) from Nomura Securities.

Outline of the Tender Offeror Stock Valuation Report, and reasons leading to determination of the Tender Offer Price based thereon, are as follows.

(i) Outline of the Tender Offeror Stock Valuation Report

Nomura Securities evaluated the Target Company Shares using the average market price method, comparable company analysis method and DCF Method; and the ranges of the per-share-value of the Target Company Shares calculated using each method are as follows:

Average market price method:	3,396 yen to 3,644 yen
Comparable company analysis method:	3,135 yen to 3,905 yen
DCF Method:	3,635 yen to 4,605 yen

(ii) Reasons Leading to Determination of the Tender Offer Price Based on the Tender Offeror Stock Valuation Report

By cumulatively considering the valuation results of the value of the Target Company Shares stated in the Tender Offeror Stock Valuation Report obtained from Nomura Securities, as well as the results of the due diligence conducted with respect to the Target Company from late April 2023 to late June 2023, the possibility of obtaining support for the Tender Offer from the Target Company's board of directors, and the outlook for the applications for the Tender Offer, and based on results of the discussions and negotiations of the Target Company, ITOCHU ultimately decided on August 2, 2023, that the Tender Offer Price would be 4,325 yen.

(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)

Considering that the Target Company is a subsidiary of ITOCHU, the parent company of the Tender Offeror, and that this transaction, which includes the Tender Offer, constitutes a transaction that is typified by issues such as the existence of structural conflicts of interest and information asymmetry, the Target Company is implementing the following measures to address those issues and to ensure the fairness of the Transaction. The measures taken by the Target Company described below are set forth based on the explanation by the Target Company.

(i) Acquisition of a Stock Valuation Report by ITOCHU from an Independent Third-party Valuation Organization

ITOCHU has obtained the Tender Offeror Stock Valuation Report on valuation results of the Target Company Shares as of August 2, 2023, from Nomura Securities. For details, please see “(i) Basis for Valuation” above.

(ii) Obtainment by the Target Company of a Share Valuation Report from an Independent Third-Party Valuation Agent

(a) Name of Valuation Agent and its Relationship with the Target Company and the Tender Offeror

When expressing its opinion on the Tender Offer, the Target Company requested Daiwa Securities, its financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Target Company Group, to calculate the Target Company’s share value and obtained the Target Company Valuation Report (Daiwa) on August 1, 2023. Daiwa Securities is not a related party of the Tender Offeror, Etc. or the Target Company Group, and does not have any material interest in connection with the Transaction, including the Tender Offer, needing to be disclosed. Further, since the Tender Offeror and the Target Company have implemented the measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, the Target Company has not obtained from Daiwa Securities any opinion concerning the fairness of the Tender Offer Price (Fairness Opinion). Remuneration for Daiwa Securities includes contingency fees to be paid subject to the completion or the like of the Transaction, but the Target Company appointed Daiwa Securities as its financial advisor and third-party valuation agent based on this remuneration system after taking into consideration customary practices in similar kinds of transactions.

(b) Outline of Valuation Pertaining to the Target Company Shares

After considering which methods should be applied to calculate the value of the Target Company Shares among various share value calculation methods available, and assuming that the Target Company is a going concern and keeping in mind that it is appropriate to evaluate the value of the Target Company Shares from various perspectives, Daiwa Securities analyzed the value per share of the Target Company Shares using (i) the market price method in order to take trends of the Target Company’s share price in the market into account, (ii) the Comparable Company Comparison Method because there are several listed companies that are comparable with the Target Company and it is possible to make an analogical inference of the share value of the Target Company Shares by comparing similar companies, and (iii) the DCF method so as to reflect in the evaluation the current and expected business results of the Target Company. Transaction obtained from Daiwa Securities the Target Company Valuation Report (Daiwa) on August 1, 2023.

The following are the ranges of values per share of the Target Company Shares that were calculated based on each calculation method mentioned above.

Market price method:	3,396 yen – 3,644 yen
Comparable company analysis method:	2,613 yen – 3,202 yen
DCF Method:	3,929 yen – 6,835 yen

Under the market price method, using August 1, 2023 as the valuation reference date, the value per share of the Target Company Shares was evaluated to range from 3,396 yen to 3,644 yen, based on the closing price of the reference date (3,644 yen), the simple average closing price for the most recent one month (from July 3, 2023 to August 1, 2023) (3,557 yen), the simple average closing price for the most recent three months (from May 2, 2023 to August 1, 2023) (3,587 yen) and the simple average closing price for the most recent six months (from February 2, 2023 to August 1, 2023) (3,396 yen) of the Target Company Shares on the Prime Market of the Tokyo TSE.

Under the comparable company analysis method, the value per share of the Target Company Shares was evaluated to range from 2,613 yen to 3,202 yen, by selecting NS Solutions Corporation, TIS Inc., Information Services International-Dentsu, Ltd., Net One Systems Co., Ltd., BIPROGY Inc. and SCSK Corporation as comparable listed companies, which are considered similar to the Target Company, and using an enterprise-value-to-EBITDA multiple.

Under the DCF method, the value per share of the Target Company Shares was evaluated to range from 3,929 yen to 6,835 yen, after analyzing the enterprise value and the share value of the Target Company calculated by discounting to the current value at a certain discount rate the free cash flow that the Target Company is expected to generate from the second quarter of the fiscal year ending March 2024 based on the Target Company’s estimated future earnings and investment plan in the business plan for a period of five fiscal years from the fiscal year ending March 2024 to the fiscal year ending March 2028 prepared by the Target Company, publicly disclosed information, and other information. The financial forecasts used by Daiwa Securities for DCF analysis do not include business years during which a significant increase or decrease in revenue is expected, and fiscal years during which a significant increase or decrease in free cash flow is expected. 4.8% to 6.8% is adopted as the discount ratio, the perpetuity growth rate method is adopted for the calculation of continuous value, and the perpetuity growth rate is determined to be 0.0% to 1.0%.

In the business plan prepared by the Target Company that was used for the DCF analysis conducted by Daiwa Securities, the synergies expected by the Transaction being completed are not reflected in the above evaluation because it is difficult to specifically estimate those synergies at present.

The figures of the Target Company’s financial forecasts used as the basis for calculation by the DCF method are as follows.

(Unit: million yen)

	FY ending March 2024 (nine months)	FY ending March 2025	FY ending March 2026	FY ending March 2027	FY ending March 2028
Sales Revenue	492,555	688,864	762,291	842,561	941,455
Operating Profit	49,224	71,476	79,069	87,271	97,478
EBITDA	55,544	85,991	93,584	101,786	111,993
Free Cash Flow	19,896	42,490	31,500	35,879	38,687

(iii) Establishment of an Independent Special Committee at the Target Company and Obtainment of a Report from the Special Committee

A Process of the Establishment of the Special Committee

As explained in "(i) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-making Process Leading to Conduct the Tender Offer, and Management Policy Following the Tender Offer" in "2. Purpose of the Tender Offer" above, the Target Company established the Special Committee by a resolution at the meeting of the board of directors of the Target Company held on April 7, 2023. Prior to the establishment of the Special Committee, in order to establish a system to discuss, negotiate, and make decisions regarding the Transaction from the perspective of improving the Target Company's corporate value and ensuring the interests of the Target Company's general shareholders from a position independent from the Tender Offeror, Etc., the Target Company individually explained to the independent outside directors and independent outside audit and supervisory board members of the Target Company who do not have any significant interest in the Tender Offeror, Etc. based on advice from Mori Hamada & Matsumoto that (a) it received a written proposal about commencing deliberations and discussions on the implementation of the Transaction from ITOCHU on April 4, 2023 and (b) it is necessary to take full measures, including establishing the Special Committee, in the course of conducting discussions and negotiations on the Transaction to ensure the fairness of the terms and conditions of the Transaction. At the same time, the Target Company verified the independence and competence of its independent outside directors and independent outside audit and supervisory board members who were to be nominated as Special Committee members with the advice from Mori Hamada & Matsumoto, and confirmed that each of those candidate Special Committee members has no significant interest in the Tender Offeror, Etc. and no significant interest in the successful or unsuccessful completion of the Transaction that is different from the general shareholders. Thereafter, as a result of discussions by the independent outside directors and independent outside audit and supervisory board members of the Target Company with the advice from Mori Hamada & Matsumoto, the Target Company confirmed that there was no objection and appointed three people as candidate members of the Special Committee: Mr. Yasuhiro Ikeda (an independent outside director of the Target Company), who has abundant experience and insight as the Representative Director, President, and Chairman of Nichirei Foods Inc. and considerable knowledge with respect to business operations, Ms. Aya Motomura (an independent outside director of the Target Company), who has abundant experience and broad knowledge as a lawyer, and Mr. Katsuhiko Hara (an independent outside audit and supervisory board member of the Target Company), who has abundant experience and expertise as a certified public accountant (Mr. Yasuhiro Ikeda, who is an independent outside director of the Target Company, was appointed as a chairperson of the Special Committee, and members of the Special Committee have not been changed since its establishment.).

Thereafter the Target Company established the Special Committee by a resolution at the board of directors meeting held on April 7, 2023, and the Target Company commissioned the Special Committee to consider the Matters of Inquiry. Further, the Target Company's board of directors passed a resolution upon establishing the Special Committee that (i) the decision of the board of directors regarding the Transaction, including a decision on whether to support the Tender Offer, shall take into account to the fullest extent the contents of the Special Committee's judgment and (b) if the Special Committee judges that the transaction terms of the Transaction are unreasonable, the Target Company's board of directors will not approve the Transaction subject to such transaction terms. Moreover, the Target Company's board of directors passed a resolution that it will authorize the Special Committee (i) to be substantially involved in the process of negotiations between the Target Company and ITOCHU (including, as necessary, giving instructions or requests regarding the policy of negotiations with ITOCHU), (ii) to appoint or nominate its own financial advisors or third-party valuation agents and legal advisors (any expenses incurred in this case are to be borne by the Target Company) or nominate or approve (including retrospective approval) the Target Company's financial advisors or legal and other advisors, as necessary, upon deliberations and judgements on the Matters of Inquiry, and (iii) to receive from the Target Company's officers and employees and other persons whom the Special Committee considers necessary information reasonably necessary for deliberations and judgements on the Matters of Inquiry as necessary.

Of the seven directors of the Target Company, Director Ichiro Tsuge, Director Mamoru Seki, and Director Hiroshi Kajiwara formerly worked at ITOCHU or currently related to ITOCHU, so, in consideration of the fact that the Target Company is ITOCHU's subsidiary and that the Transaction fall under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of the deliberation and resolution at the meeting of the board of directors of the Target Company being affected by such issues, the above resolutions were passed at the above meeting of the board of directors of the Target Company with the unanimous approval of the directors after deliberations among the four directors excluding these three directors. In addition, all of three audit and supervisory board members excluding Auditor. Yasuyuki Harada, who formerly worked at ITOCHU, attended the above board of directors meeting and all of the audit and supervisory board members who attended the meeting expressed an opinion that they have no objection to the above resolutions.

Further, in consideration of the fact that the Transaction falls under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of being affected by such issues, three directors (Director Ichiro Tsuge, Director Mamoru Seki, and Director Hiroshi Kajiwara) out of directors of the Target Company and audit and supervisory board member Yasuyuki Harada of the Target Company did not participate in deliberations and resolutions at the board of directors meetings on the Transaction including the above board of directors meeting, and did not participate in discussions and negotiations on the Transaction in the position of the Target Company.

It was also decided that a fixed fee is to be paid to each Special Committee member as compensation for his or her duties regardless of whether the Transaction is successfully completed.

B Process of Review

The Special Committee held a total of 19 meetings during the period from April 7, 2023 to August 1, 2023. In addition, the members of the Special Committee performed their duties regarding the Matters of Inquiry by, among other actions, reporting to and sharing information with other members as well as deliberating and making decisions on the relevant matters through e-mails from time to time as necessary between those meetings. Specifically, the Special Committee first deliberated on matters such as the independence, expertise, accomplishments, and other matters, and it then made a decision to appoint Shibata, Suzuki & Nakada as its own legal advisor independent from the Tender Offeror, Etc. and the

Target Company Group, and appoint Plutus Consulting as its own financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Target Company Group on April 7, 2023. The Special Committee confirmed that each of Shibata, Suzuki & Nakada and Plutus Consulting is not a related party of the Tender Offeror, Etc. or the Target Company Group and it does not have any significant interest in relation to the Transaction including the Tender Offer and that there is not any other concern with respect to the independence in the Transaction.

The Special Committee confirmed that there was no problem in terms of the independence, expertise, accomplishments, and other matters of Daiwa Securities, which is the Target Company's financial advisor and third-party valuation agent, and Mori Hamada & Matsumoto, which is the Target Company's legal advisor, and approved the appointment of Daiwa Securities and Mori Hamada & Matsumoto.

The Special Committee also confirmed and approved that there is no problem, from the perspective of independence and fairness, with the internal system established by the Target Company for deliberations on the Transaction (including the scope of officers and employees of the Target Company who will be involved in deliberations, negotiations, and decisions on the Transaction, and their duties).

The Special Committee then deliberated on measures that need to be taken to ensure the fairness of the procedures in the Transaction based on the legal advice received from Shibata, Suzuki & Nakada and opinions heard from Mori Hamada & Matsumoto.

The Special Committee received explanations from and conducted Q&A sessions with ITOCHU about the background of decision making on the proposal of the Transaction, the significance and purpose of the Transaction, management structure and policies after the Transaction, and other matters.

Moreover, the Special Committee obtained the Target Company's opinion and related information from the Target Company about the significance and purpose of the Transaction, the impact that the Transaction may have on the Target Company's businesses, management structure and policies after the Transaction, and other matters, and the Special Committee held Q&A session on those matters.

In addition, the Special Committee was given an explanation from the Target Company on matters such as the contents, material conditions precedent, and the preparation progress of the business plan prepared by the Target Company and held a Q&A session on those matters, and the Special Committee confirmed and approved the reasonableness of those matters based on advice from a financial perspective from Plutus Consulting. Thereafter, as explained in "(ii) Obtainment by the Target Company of a Share Valuation Report from an Independent Third-Party Valuation Agent" and "(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent" above, Plutus Consulting and Daiwa Securities conducted valuations of the Target Company Shares based on the content of the business plans of the Target Company. The Special Committee received explanations from Plutus Consulting and Daiwa Securities about the calculation methods used in the valuation of the Target Company Shares by Plutus Consulting and Daiwa Securities, the reasons for using those calculation methods, the details of the calculation made using each of those calculation methods, and material conditions precedent for the valuation of the Target Company Shares conducted by Plutus Consulting and Daiwa Securities, and confirmed the reasonableness of those matters after holding Q&A sessions and discussing and deliberating on those matters. In addition, as explained in "(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent" below, the Special Committee received a Fairness Opinion from Plutus Consulting as of August 1, 2023. Upon the receipt, the Special Committee received explanations from Plutus Consulting about the details of and material conditions precedent for the Fairness Opinion and confirmed those matters.

Furthermore, the Special Committee received reports from the Target Company and the Target Company's advisor about the negotiation between the Target Company and ITOCHU from time to time, and stated its necessary opinion with respect to the negotiation policy of the Target Company after deliberations and discussions based on advice from a financial perspective from Plutus Consulting and advice from a legal perspective from Shibata, Suzuki & Nakada as necessary. Specifically, after the Company received each of the proposals for the Tender Offer Price from ITOCHU, the Special Committee was substantially involved in the discussion and negotiation process between the Company and the Tender Offeror by taking actions such as providing opinions to the Company on five occasions to the effect that the Company should request ITOCHU to increase the Tender Offer Price as a result of which the Company held negotiations with ITOCHU based on timely reports from the Company on the process, details, and the like of discussions and negotiations regarding the Tender Offer Price.

As a result, the Target Company received from ITOCHU a proposal that includes the Tender Offer Price of 4,325 yen per share on August 1, 2023. Consequently, the Tender Offer Price has been increased to 4,325 yen from the initial offer price (3,800 yen) proposed by ITOCHU.

In addition, the Special Committee received several explanations from Mori Hamada & Matsumoto about the details of the draft of Target Company Press Release concerning the Tender Offer to be released by the Target Company, and the Special Committee confirmed that information will be fully disclosed while obtaining advice from Shibata, Suzuki & Nakada.

C Determinations

Under the above circumstances, the Special Committee submitted the Report mainly stating the matters set out below on August 1, 2023 to the board of directors of the Target Company with the unanimous agreement of its members as a result of careful and repeated discussions and deliberations about the Matters of Inquiry based on the details of the advice from a legal perspective from Shibata, Suzuki & Nakada, advice from a financial perspective from Plutus Consulting, and the Valuation Report (Plutus Consulting) and the Fairness Opinion submitted on August 1, 2023.

(a) Contents of the Decisions by the Special Committee

i. The Special Committee believes it is appropriate for the board of the directors of the Target Company to pass a resolution to express its opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender the Target Company Shares in the Tender Offer.

ii. The Special Committee believes the decision by the board of directors of the Target Company on the implementation of the Transaction (including the decision by the Target Company's board of directors to express an opinion in support of the Tender Offer and recommend to the Target Company's shareholders to tender their shares in the Tender Offer, and the decision to implement the Squeeze-out Procedures by the Demand for Share Cash-Out or the Share Consolidation which are to be conducted as part of the Transaction after the successful completion of the Tender Offer) would not be disadvantageous to the minority shareholders of the Target Company.

(b) Reasons for the Decision

i. Whether the Transaction Would Contribute to Enhancing the Corporate Value of the Target Company

Based on the following aspects, the Special Committee believes that the Transaction will contribute to enhancing the corporate value of the Target Company and that the purpose of the Transaction is reasonable.

a. The Special Committee confirmed the following understandings and thoughts of ITOCHU by conducting Q&A in writing and by interviewing ITOCHU, and no particular issues or concerns needing to be indicated were found.
   - Since a certain portion of profits will flow out to minority shareholders of the Target Company when the ITOCHU Group provides management resources to the Target Company, ITOCHU considers that there are certain limitations on the allocation of the management resources to the Target Company Group by ITOCHU Group from the perspective of economic rationality.
   - The ITOCHU believes that the ITOCHU Group will be able to allocate further management resources to the Target Company Group by privatizing the Target Company through the Transaction, resolving the structural conflicts of interest between ITOCHU and minority shareholders of the Target Company, and completely reconciling the interests of the ITOCHU Group and the Target Company Group.
   - At present, ITOCHU does not anticipate any change in the Target Company's basic management policy, business operation policy, technology strategy and policy, and other policies even after the Transaction and intends to add new measures that utilize the management resources of the Target Company to the maximum extent while following the Target Company's growth strategies. If ITOCHU deems it strategically and reasonably necessary for the growth and development of the Target Company in the future, ITOCHU intends to make such addition or change after consulting with the Target Company.
   - With respect to personnel measures, ITOCHU considers that it is appropriate to maintain the systems currently adopted by the Target Company. At present, ITOCHU is not conducting any specific considerations of personnel measures such as changes in the working conditions of employees of the Target Company or a reduction in the number of employees of the Target Company after the Transaction.
   - ITOCHU intends to examine measures leading to enhancement of the Target Company's branding, taking into account the Target Company's intentions.

b. The Special Committee confirmed the following understandings and thoughts of the Target Company by conducting Q&A sessions with the Target Company with respect to the understandings and thoughts of ITOCHU regarding the Transaction, and a Q&A session by interviewing Ichiro Tsuge, President & CEO of the Target Company, and no particular issue or concern needing to be indicated was found.

- The Target Company believes that the implementation of management measures with support from the ITOCHU Group will enable the Target Company to execute non-organic growth strategies in addition to the existing organic growth, and expects advantages, such as the expansion of highly value-added services including consulting.
- The Target Company does not recognize any particular material dyssynergies arising from the integration of various functions with ITOCHU.
- ITOCHU already directly holds 61.24% of the Target Company Shares and many of business partners are aware of this, the Target Company considers that the business partners that would contemplate changing the business relationship due to the growing influence of ITOCHU would be limited.
- The Target Company considers that while there are concerns that the delisting of the Target Company resulting from the Transaction may have an impact, etc. on a decrease in motivation and resignation of some employees, and the ability to secure personnel, such impact will be limited by implementing measures leading to enhancement of the Target Company's branding and providing sufficient explanations regarding the Transaction to employees of the Target Company.

c. Upon prudent deliberation and examination, the Special Committee believes that the Target Company's view that the implementation of management measures with support from the ITOCHU Group will contribute to enhancing the corporate value of the Target Company is reasonable, given that (i) the explanations by ITOCHU about the significance and purpose of the Transaction had a certain degree of specificity, (ii) there were no unreasonable points with respect to the explanations by the Target Company based on the explanations by ITOCHU, (iii) while there are advantages in the Transaction, no particular material disadvantages of the Transaction were found, and (iv) the Target Company and ITOCHU share a common understanding regarding the issues and future direction of the business operations of the Target Company.

ii. Fairness of Procedures

Based on the following points, the Special Committee believes that from the perspective of securing the interests of the Target Company's general shareholders, fair procedures have been taken in the Transaction.

a. Establishment of the Special Committee

- In consideration of the fact that the Transaction fall under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of (i) addressing these issues, (ii) ensuring the fairness of the Transaction including the Tender Offer Price, (iii) eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer, and (iv) avoiding conflicts of interest, the Target Company established and made inquiries with the Special Committee, which consisted of three members in total (two independent outside directors of the Target Company and an independent outside audit and supervisory board member of the Target Company).

- The Special Committee consisted of three members, namely Mr. Yasuhiro Ikeda, who has abundant experience and insight as the Representative Director, President, and Chairman of Nichirei Foods Inc. and considerable knowledge with respect to business operations, Ms. Aya Motomura, who has sophisticated expertise as a lawyer and abundant knowledge with respect to corporate legal affairs, and Mr. Katsuhiko Hara, who has sophisticated expertise and abundant knowledge in finance and accounting as a certified public accountant, and therefore, the Special Committee is considered to have the experience and knowledge necessary to consider the Inquired Matters.
- From April 7, 2023 to August 1, 2023, the Special Committee conducted several discussions by holding 19 meetings in total for around 25 hours in total.
- With respect to negotiations between the Target Company and ITOCHU, it is recognized that ITOCHU made 6price proposals in total and that earnest negotiations in which the Special Committee was substantially involved have taken place after securing a situation in which reasonable efforts have been made with the aim of the Transaction being conducted under terms and conditions that are as advantageous as possible for general shareholders, in other words, a situation substantially equivalent to an arm's length transaction.

b. Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent

- In considering the Inquired Matters, the Special Committee appointed Plutus Consulting, which is its own financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Target Company Group, and obtained advice from Plutus Consulting from a financial perspective, including advice on the valuation of the share value of the Target Company and on negotiations with ITOCHU, and it obtained the Valuation Report (Plutus Consulting) and the Fairness Opinion dated August 1, 2023.

c. Advice Obtained by the Special Committee from an Independent Law Firm

- In considering the Inquired Matters, the Special Committee appointed Shibata, Suzuki & Nakada as its own legal advisor independent from the Tender Offeror, Etc. and the Target Company Group, and obtained advice from a legal perspective concerning measures to be taken to ensure the fairness of the procedures in the Transaction and negotiations with ITOCHU from Shibata, Suzuki & Nakada.

d. Obtainment by the Target Company of a Share Valuation Report from an Independent Third-Party Valuation Agent

- In order to ensure the fairness of the Tender Offer Price and fairness of other aspects of the Transaction, the Target Company appointed Daiwa Securities as its financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Target Company Group and the Special Committee approved the appointment after confirming that there is no concern with respect to its independence, expertise, accomplishments, and other matters at the meeting of the Special Committee.
- Then, the Target Company received advice and assistance from Daiwa Securities from a financial perspective, including advice regarding the valuation of the share value of the Target Company

and the negotiation policy with ITOCHU, and obtained the Company Valuation Report (Daiwa) as of August 1, 2023.

e. Advice Obtained by the Target Company from an Independent Law Firm

- In order to ensure the fairness of the Tender Offer Price and fairness of other aspects of the Transaction, the Target Company appointed Mori Hamada & Matsumoto as its legal advisor independent from the Tender Offeror, Etc. and the Target Company Group and the Special Committee approved the appointment after confirming that there is no concern with respect to its independence, expertise, accomplishments, and other matters at the meeting of the Special Committee.
- Then, the Target Company obtained from Mori Hamada & Matsumoto legal advice concerning matters such as measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method and process of decision-making or other matters to be noted in relation to decision-making by the Target Company on the Transaction.

f. Measures to Avoid Mutual Influence on Valuation by Plutus Consulting and Daiwa Securities

- When the Special Committee received explanations from and held Q&A sessions with Plutus Consulting and Daiwa Securities about (i) calculation methods used by them for their valuations of the share value of the Target Company Shares, (ii) the reasons for using those calculation methods, and (iii) the details of calculations and material conditions precedent for each calculation method, the measures were taken to avoid mutually influencing their valuations, not having Plutus Consulting participate in Daiwa Securities' explanatory and Q&A sessions, and not having Daiwa Securities participate in Plutus Consulting's explanatory and Q&A sessions.

g. Establishment of an Independent Deliberation Framework at the Target Company

- After the Target Company received a notice on March 7, 2023 to the effect that the Tender Offeror has commenced deliberations on the implementation of the Transaction, it has established a project team that implements deliberations on the Transaction (including preparation of a business plan that is to be the basis for the valuation of shares of the Target Company) and discussions and negotiations with ITOCHU. The project team only consists of officers and employees of the Target Company who do not concurrently serve as officers and employees of companies of the ITOCHU Group (excluding the Target Company Group) and had never held a position as officers or employees of companies in the ITOCHU Group (excluding the Target Company Group) in the past.
- Although Senior Managing Executive Officer Takanori Minatohara, who is an officer in charge of negotiating the Transaction, held a position as an employee at ITOCHU INTERACTIVE CORPORATION ("ITOCHU INTERACTIVE"; the trade name was ITOCHU ELECTRONICS CORPORATION at that time), a subsidiary of ITOCHU, until 1993, the Target Company has determined that there is no possibility of being affected by the structural conflict of interests in the Transaction since approximately 30 years have passed since his resignation from his position as an employee of ITOCHU INTERACTIVE. The Special Committee has determined that such determination is reasonable and approved that there is no problem from the perspective of independence and fairness with the system for deliberation of the Target Company, including that

treatment (including the scope and duties of the officers and employees of the Target Company involved in deliberations, negotiations, and decisions on the Transaction).

h. Non-Participation of Interested Directors and Audit and Supervisory Board Members at the Target Company

- Since of the seven directors of the Target Company, three (Director Ichiro Tsuge, Director Mamoru Seki, and Director Hiroshi Kajiwara) formerly worked at ITOCHU or currently related to ITOCHU, so, in consideration of the fact that the Target Company is a consolidated subsidiary of ITOCHU and that the Transaction falls under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of the deliberations and resolutions at the meeting of the board of directors of the Target Company being affected by such issues, those three directors had not participated in deliberations and resolutions at the board of directors meeting on the Transaction until August 1, 2023 and will not participate (or substantially participate) in any deliberation and resolution at the board of directors meeting scheduled to be held on August 2, 2023 with respect to expressing an opinion on the Transaction, and did not participate in examinations, discussions, and negotiations on the Transaction in the position of the Target Company.
- Mr. Yasuyuki Harada, who is an audit and supervisory board member from ITOCHU. Therefore, he had not participated (or substantially participated) in any deliberation at the board of directors meeting on the Transaction until August 1, 2023 and will not participate in deliberations at the board of directors meeting scheduled to be held on August 2, 2023.

i. No Transaction Protection Clause

- The Company and the Tender Offeror have not agreed to any transaction protection clause that prohibits the Target Company from contacting acquisition offerors other than the Tender Offeror ("Competing Acquisition Offerors") or made any other agreement on any matter that would restrict Competing Acquisition Offerors from contacting the Target Company.

j. Measures to Ensure Opportunities for the Target Company's Shareholders to Appropriately Determine Whether to Tender Shares in the Tender Offer

- As a scheme of the Squeeze-Out Procedures, the Tender Offeror ensures an opportunity for the Target Company's shareholders to properly decide whether or not to tender their shares in the Tender Offer and gives consideration to avoid placing coercive pressure on the Target Company's shareholders by (i) planning to make a demand to the Target Company to convene the Special Shareholders' Meeting at which the agenda items will include proposals for the Demand for Share Cash-Out or the Share Consolidation of all of the Target Company Shares (excluding the Target Company Shares owned by ITOCHU and treasury shares owned by the Target Company), in accordance with the number of shares acquired by the Tender Offeror through the successful completion of the Tender Offer promptly after the completion of the settlement of the Tender Offer and a partial amendment to the Target Company's articles of incorporation to abolish the provisions on share units on the condition that the share consolidation takes effect, and employing methods ensuring the right of the Target Company's shareholders to request purchase of shares or to petition for a determination of the price of shares and (ii) clarifying that the amount of money to be delivered to the Target Company's shareholders as consideration for each Company Share in the Demand for Share Cash-Out or the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by each of those shareholders (excluding ITOCHU, the Tender Offeror, and the Target Company).

- In order to ensure an appropriate opportunity for the shareholders of the Target Company to make a decision about the tendering of shares in response to the Tender Offer as a means to guarantee the fairness of the Tender Offer Price, the Tender Offeror has set the tender offer period in the Tender Offer to be 30 business days, which is relatively longer than the shortest tender offer period specified in the laws and regulations.

k. Not Setting of Minimum Number of Shares to be Purchased Exceeding the Number Equivalent to the Majority of Minority cannot be said unreasonable

- ITOCHU, the parent company of the Tender Offeror, has not set a minimum number of shares to be purchased by the so-called "majority of minority" in the Tender Offer because ITOCHU directly owns 141,601,600 shares of the Target Company Shares (Ownership Ratio: 61.24%), due to which the setting of a minimum number of shares to be purchased in the Tender Offer may make the successful completion of the Tender Offer unstable, which, in turn, may be disadvantageous for general shareholders that wish to tender their shares in the Tender Offer. However, based on the fact that (i) the Target Company has employed each of the methods above and implemented each of the measures as measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest, and it may be considered that the interests of general shareholders of the Target Company are fully considered and (ii) it is considered that the Tender Offer Price is set at a reasonable level as described below, it cannot be said that not setting a minimum number of shares to be purchase by the so-called "majority of minority" in the Tender Offer is unreasonable.

iii. Appropriateness of Transaction Terms and Conditions

a. Tender Offer Price

- The Special Committee considers that the Tender Offer Price of 4,325 yen is a reasonable price for the reasons set out below.
- The Tender Offer Price is a price agreed to after a total of 6 price proposals by ITOCHU and is believed to be a price agreed to based on sufficient negotiations conducted on multiple occasions, from the initial offer price (3,800 yen), to the last offer price (4,325 yen), in which the Special Committee independent from the Target Company and the Tender Offeror, Etc. was substantially involved, and after securing a situation in which reasonable efforts have been made with the aim of the Transaction being conducted under transaction terms and conditions that are as advantageous as possible for general shareholders, in other words, a situation substantially equivalent to an arm's length transaction.
- In light of the long-term share price trends of the Company, the Tender Offer Price is set to be equal to the highest closing price of the Company Shares in the previous 20 years (meaning the closing price on August 3, 2020) and does not have an adverse economic effect on the shareholders who have acquired the Company Shares on the market.

- The Company's business plan (from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2028), which was used as the basis for calculation of the share value by Plutus Consulting and Daiwa Securities, assumes a level of improvement and growth that is not inferior compared to the Medium-Term Management Plan (for the three years from April 2021 to March 2024) announced by the Target Company on April 28, 2021 and did not tend to be conservative compared to sales and operating profit forecasts set by competitors. As such, no unreasonable points were found, such as making assumptions that would cause an unreasonably low calculation of the Tender Offer Price.
- In the calculation result of the share price valuation by Daiwa Securities, the value per share of the Target Company Shares was evaluated to range from 3,396 yen to 3,644 yen under the market price method, from 2,613 yen to 3,202 yen under the comparable company analysis method, and from 3,929 yen to 6,835 yen under the DCF Method, and the Tender Offer Price exceeds the upper limit value of the calculation result using the market price method and the comparable company comparison method, and is within the range of the calculation result using the DCF Method. In addition, this calculation of the share price valuation was conducted after taking measures to avoid mutually influencing the respective calculations of the share value by Plutus Consulting and Daiwa Securities, and such calculation is determined to be credible since no particular unreasonable points were found with respect to the explanations provided by Daiwa Securities to the Special Committee.
- In the calculation result of the share price valuation by Plutus Consulting, the value per share of the Target Company Shares was evaluated to range from 3,396 yen to 3,644 yen under the market price method, from 3,490 yen to 3,938 yen under the comparable company analysis method, and from 3,916 yen to 4,722 yen under the DCF Method, and the Tender Offer Price exceeds the upper limit of the calculation result using the market price method and the comparable company comparison method, and is within the range of the calculation result using the DCF Method. In addition, this calculation of the share price valuation was conducted after taking measures to avoid mutually influencing the respective calculations of the share value by Plutus Consulting and Daiwa Securities, and such calculation is determined to be credible since no particular unreasonable points were found with respect to the explanations provided by Plutus Consulting to the Special Committee.
- The Special Committee obtained the Fairness Opinion from Plutus Consulting on August 1, 2023. Plutus Consulting has stated the opinion that it believes that the Tender Offer Price is fair to the Target Company's minority shareholders from a financial perspective, and no particular unreasonable points were found with respect to the issuance procedures and details of the Fairness Opinion. As such, it is believed that the appropriateness of the Tender Offer Price is supported.
- The Tender Offer Price represents (a) a premium of 18,69% on 3,644 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of August 1, 2023, which is the business day immediately preceding the announcement date of the Tender Offer, (b) a premium of 21.59% on 3,557 yen, which is the simple average closing price for the one-month period ending on that day (from July 3, 2023 to August 1, 2023), (c) a premium of 20.57% on 3,587 yen, which is the simple average closing price for the three-month period ending on that day (from May 2, 2023 to August 1, 2023), and (iv) a premium of 27.36% on 3,396 yen, which is the simple average closing price for the six-month period ending on that day (from February 2, 2023 to August 1, 2023).

b. Amount to be Delivered to the Minority Shareholders Through Squeeze-Out Procedures

- With respect to the Squeeze-Out Procedures that are planned to be implemented if the Tender Offeror fails to acquire all of the Target Company Shares in the Tender Offer, the amount of cash to be delivered to the minority shareholders will be calculated to be equal to the Tender Offer Price multiplied by the number of the Target Company Shares held by each such shareholder. Therefore, the Special Committee considers that the amount of cash is reasonable from the perspective that it is equal to the Tender Offer Price.

iv. Summary

As stated above, the Special Committee considers that the Transaction will contribute to enhancing the corporate value of the Target Company and the purpose of the Transaction is reasonable, that fair procedures have been taken in the Transaction from the perspective of securing the interests of the Target Company's general shareholders, and that the appropriateness of the terms and conditions of the Transaction such as the Tender Offer Price have been ensured. The Special Committee therefore believes that (i) it is appropriate for the board of the directors of the Target Company to pass a resolution to express an opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer and (ii) the decisions by the board of directors of the Target Company on the implementation of the Transaction (including the decision to express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer and the decision to implement the Squeeze-out Procedures by the Demand for Share Cash-Out or the Share Consolidation which are to be conducted as part of the Transaction after the successful completion of the Tender Offer) would not be disadvantageous to the minority shareholders of the Target Company.

(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent

(a) Name of Valuation Agent and its Relationship with the Target Company and the Tender Offeror

When considering the Matters of Inquiry, in order to ensure the reasonableness of the terms and conditions of the Transaction, including the Tender Offer Price, the Special Committee requested Plutus Consulting, its financial advisor and third-party valuation agent independent from the Tender Offeror, Etc. and the Target Company Group, to calculate the value of the Target Company Shares and to express an opinion on the fairness to the minority shareholders of the Target Company, from a financial perspective, of the terms and conditions of the Transaction, including the Tender Offer Price. The Special Committee obtained the Valuation Report (Plutus Consulting) and the Fairness Opinion on August 1, 2023.

Plutus Consulting is not a related party of the Tender Offeror, Etc. or the Target Company Group, and does not have any material interest in connection with the Transaction, including the Tender Offer, needing to be disclosed. Also, only a fixed-amount of remuneration, which is payable regardless of whether the Transaction succeed, will be paid to Plutus Consulting in connection with the Transaction, and no contingency fees, which are payable subject to completion of the Transaction, including the Tender Offer, and other conditions, will be paid.

(b) Outline of Valuation pertaining to the Target Company Shares

After considering which methods should be applied to calculate the value of the Target Company Shares among various share value calculation methods available, and assuming that the Target Company is a going concern and keeping in mind that it is appropriate to evaluate the value of the Target Company Shares from various perspectives, Plutus Consulting analyzed and calculated the value per share of the Target Company Shares using (i) the market price method in order to take trends of the Target Company's share price in the market into account, (ii) the Comparable Company Comparison Method because there are several listed companies that are comparable with the Target Company and it is possible to make an analogical inference of the share value of the Target Company Shares by comparing similar companies, and (iii) the DCF method so as to reflect in the evaluation the current and expected business results of the Target Company. The Special Committee obtained from Plutus Consulting the Target Company Valuation Report on August 1, 2023.

The following are the ranges of values per share of the Target Company Shares that were calculated based on each calculation method mentioned above.

Market price method:	3,396 yen – 3,644 yen
Comparable company analysis method:	3,490 yen – 3,938 yen
DCF method:	3,916 yen – 4,722 yen

Under the market price method, using August 1, 2023 as the valuation reference date, the value per share of the Target Company Shares was evaluated to range from 3,396 yen to 3,644 yen, based on the closing price of the reference date (3,644 yen), the simple average closing price for the most recent one month (from July 3, 2023 to August 1, 2023) (3,557 yen), the simple average closing price for the most recent three months (from May 2, 2023 to August 1, 2023) (3,587 yen) and the simple average closing price for the most recent six months (from February 2, 2023 to August 1, 2023) (3,396 yen) of the Target Company Shares on the Prime Market of the TSE.

Under the comparable company analysis method, the value per share of the Target Company Shares was evaluated to range from 3,490 yen to 3,938 yen, by selecting Nomura Research Institute, Ltd., SCSK Corporation, BIPROGY Inc. and NS Solutions Corporation as comparable listed companies, which are considered similar to the Target Company, and using an enterprise-value-to-EBIT and EBITDA multiple.

Under the DCF method, the value per share of the Target Company Shares was evaluated to range from 3,916 yen to 4,722 yen, after analyzing the enterprise value and the share value of the Target Company calculated by discounting to the current value at a certain discount rate the free cash flow that the Target Company is expected to generate from the second quarter of the fiscal year ending March 2024 based on the Target Company's estimated future earnings and investment plan in the business plan for a period of five fiscal years from the fiscal year ending March 2024 to the fiscal year ending March 2028 prepared by the Target Company, publicly disclosed information, and other information. 6.8% to 7.7% is adopted as the discount ratio, and the perpetuity growth rate method and the multiple method are adopted for the calculation of going-concern value. The perpetuity growth rate is determined to be 0% and the EBIT and EBITDA multiples are used for the calculation, which are 11.5 and 9.7 respectively.

The consolidated financial forecasts based on the business plan prepared by the Target Company, which was used by Plutus Consulting as the premise for the calculation of the DCF method, are as follows. The business plan prepared by the Target Company does not include business years during which a significant increase or decrease in revenue is expected, and fiscal years during which a significant increase or decrease in free cash flow is expected. The synergies expected by the Transaction being completed are not reflected in the above evaluation because it is difficult to specifically estimate those synergies at present, except for the effects of reduced listing maintenance costs.

(Unit: million yen)

	FY ending March 2024 (nine months)	FY ending March 2025	FY ending March 2026	FY ending March 2027	FY ending March 2028
Sales Revenue	492,555	688,864	762,291	842,561	941,455
Operating Profit	49,769	71,552	79,153	87,364	97,580
EBITDA	56,089	86,067	93,668	101,879	112,095
Free Cash Flow	13,411	36,058	39,935	44,364	47,839

The Special Committee obtained the Fairness Opinion on August 1, 2023.

(c) Outline of the Fairness Opinion

The Special Committee obtained the Fairness Opinion from Plutus Consulting on August 1, 2023 which stated to the effect that the Tender Offer Price of 4,325 yen per share is fair to the Target Company's minority shareholders from a financial perspective (Note). Plutus Consulting expresses the opinion that the Tender Offer Price of 4,325 yen per share is fair to the Target Company's minority shareholders from a financial perspective based on the results of calculation of the value of the Target Company Shares based on the business plan.

The Fairness Opinion was issued by Plutus Consulting based on the result of valuation of the Target Company Shares conducted by Plutus Consulting based on disclosure and explanation by the Target Company on the current situation and outlook of business of the Target Company Group, as well as Q&A sessions with the Target Company pertaining to the outline, background and purpose of the Tender Offer, examination of the Target Company Group's business environment, economy, market, and financial situation, to the extent deemed necessary by Plutus Consulting, and the review procedures by a review committee independent of the engagement team at Plutus Consulting.

(Note) According to Plutus Consulting, in preparing and submitting the Fairness Opinion, and in evaluating the shares used as the basis therefor, Plutus Consulting assumed and relied on: (i) the accuracy and completeness of, information and basic materials provided by or discussed with the Target Company, and publicly available materials; and (ii) the understanding that there was no fact that might have a material impact on the analysis and valuation of the Target Company Shares, which has not been disclosed to Plutus Consulting. Moreover, it neither has independently conducted nor has any obligation to conduct examination or verification thereof. Plutus Consulting assumed that the Target Company's business outlook and other materials used as basic materials for the Fairness Opinion were reasonably prepared by the management of the Target Company based on the best estimates and judgment at that time; and Plutus Consulting neither guarantees the feasibility thereof, nor represents any view concerning, analysis or estimates used as the basis for preparing them, or conditions precedent used as grounds for them. Plutus Consulting has not made any independent valuation or appraisal of the assets or liabilities (including off-the-book assets and liabilities and other contingent liabilities) of the Target Company and its affiliates, including the analysis and valuation of individual assets and liabilities; moreover, it has not been provided with any valuation report or appraisal report related thereto. Furthermore, Plutus Consulting has not evaluated the credibility of the Target Company and its affiliates.

Plutus Consulting is not an institution that specializes in law, accounting, or tax. Therefore, Plutus expresses no view as to any law, accounting, or tax issues in relation to the Tender Offer, nor does it have any obligation to do so.

According to Plutus Consulting, the Fairness Opinion was prepared to be provided for the analysis of the fairness of the Tender Offer Price by the Target Company. Therefore, the Fairness Opinion does not refer to the position of the Transaction under the business strategy when compared with alternative plans that may be implemented by the Target Company, or to benefits gained due to carrying out the Transaction; furthermore, it does not provide any opinion on the propriety of the conduct of the Transaction by the Tender Offeror. The Fairness Opinion provides opinions as of the date of its preparation on whether the Tender Offer Price is fair for the minority shareholders of the Target Company from a financial perspective, assuming the financial and capital markets, economic circumstances and other situations as of the date of its preparation, based on the information that Plutus Consulting has obtained by the date of its preparation; moreover, although the content of the Fairness Opinion may be affected by subsequent changes in circumstances, even in such a case, Plutus Consulting does not have any obligation to revise, amend or supplement the content of thereof. Furthermore, the Fairness Opinion does not make any inference to or suggest any opinion on any matters other than those expressly stated in it, or any matters on or after its submission date. Plutus does not solicit investments in the Company or the like and has no authority to do so. The Fairness Opinion only expresses an opinion that the Tender Offer Price is not disadvantageous to the minority shareholders of the Target Company from a financial perspective and is fair; it does not express an opinion or make any recommendation regarding the propriety of the conduct of the Tender Offer, applications for the Tender Offer, and any other act related to the Tender Offer; and it does not provide any opinion to holders of securities issued by the Target Company, creditors, or other stakeholders. Therefore, Plutus assumes no responsibility to any shareholder or third party who relies on this Fairness Opinion.

In addition, the Fairness Opinion (Plutus Consulting) was provided by Plutus Consulting for the purpose of being used as a basic material for the decisions on the Tender Offer Price by the Target Company’s board of directors and the Special Committee; therefore, no other person may rely on it.

(v) Advice Obtained by the Special Committee from an Independent Law Firm

As stated in "(iii) Establishment of an Independent Special Committee at the Target Company and Obtainment of a Report from the Special Committee" above, the Special Committee appointed Shibata, Suzuki & Nakada as its legal advisor independent from the Tender Offeror, Etc. and the Target Company Group, and obtained legal advice concerning matters such as measures to be taken to ensure the fairness of the procedures in the Transaction and the discussions and deliberations by the Special Committee with respect to the Matters of Inquiry. Shibata, Suzuki & Nakada is not a related party of the Tender Offeror, Etc. or the Target Company Group and it does not have any significant interest in relation to the Transaction, including the Tender Offer. Fees paid to Shibata, Suzuki & Nakada are calculated by multiplying the operating hours by hourly rate, which are paid regardless of the completion of the Transaction, and do not include contingent fees, which are paid subject to the completion of the Transaction.

(vi) Advice Obtained by the Target Company from an Independent Law Firm

As stated in "(iii) Target Company's Decision-making Process and Reasons" in "(a) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-making Process Leading to Conduct the Tender Offer, and Management Policy Following the Tender Offer" in "2. Purpose of the Tender Offer" above, the Target Company appointed Mori Hamada & Matsumoto as its legal advisor independent from the Tender Offeror, Etc. and the Target Company Group, and obtained legal advice concerning matters such as measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method and process of decision-making or other matters to be noted in relation to decision-making by the Target Company on the Transaction.

In addition, as explained in "(iii) Establishment of an Independent Special Committee at the Target Company and Obtainment of a Report from the Special Committee" above, the Special Committee confirmed that there is no concern with respect to the independence, expertise, accomplishments, and other matters of Mori Hamada & Matsumoto and approved the appointment of Mori Hamada & Matsumoto.

Mori Hamada & Matsumoto is not a related party of the Tender Offeror, Etc. or the Target Company Group and it does not have any significant interest in relation to the Transaction, including the Tender Offer. Fees paid to Mori Hamada & Matsumoto are calculated by multiplying the operating hours by hourly rate, which are paid regardless of the completion of the Transaction, and do not include contingent fees, which are paid subject to the completion of the Transaction.

(vii) Establishment of an Independent Evaluation Framework at the Target Company

The Target Company internally established a system for deliberations, negotiations, and decisions on the Transaction from a position independent of the Tender Offeror, Etc. Specifically, after the Target Company received a notice on March 7, 2023 to the effect that the Tender Offeror would like to commence deliberation on the implementation of the Transaction, it has established a project team that implements deliberations on the Transaction (including preparation of a business plan that is to be the basis for the valuation of shares of the Target Company) and discussions and negotiations with ITOCHU.

The project team only consists of officers and employees of the Target Company who do not concurrently serve as officers and employees of companies of ITOCHU Group (excluding the Target Company Group) and had never held a position as officers or employees of companies in ITOCHU Group (excluding the Target Company Group) in the past, and that treatment is continuing. Although Senior Managing Executive Officer Takanori Minatohara, who is an officer in charge of negotiating the Transaction, held a position as an employee at ITOCHU INTERACTIVE, a subsidiary of ITOCHU, until 1993, the Target Company determines that there is no possibility of being affected by the structural conflict of interests since approximately 30 years have passed since his resignation from his position as an employee of ITOCHU INTERACTIVE. The approval of the Special Committee has been obtained with respect to the fact that there is no problem from the perspective of independence and fairness with the system for deliberation of the Target Company, including that treatment (including the scope and duties of the officers and employees of the Target Company involved in deliberations, negotiations, and decisions on the Transaction).

(viii) Approval of All Disinterested Directors at the Target Company and Opinion of All Disinterested Audit and Supervisory Board Members that They Had No Objection

The Target Company carefully discussed and deliberated on whether the Transaction conducted by the Tender Offeror including the Tender Offer will contribute to the improvement of the corporate value of the Target Company and whether the terms and conditions of the Transaction including the Tender Offer Price are appropriate based on (a) legal advice received from Mori Hamada & Matsumoto, (b) advice from a financial perspective from Daiwa Securities, (c) the contents of the Target Company Valuation Report, (d) the Valuation Report (Plutus Consulting) and the Fairness Opinion submitted to the Target Company through the Special Committee, (e) the Report obtained from the Special Committee, (f) the content of the continuous discussions with ITOCHU, and (g) other related materials. Consequently, as explained in "(iii) Target Company's Decision-making Process and Reasons" in "Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer" in "(a) Background, Purpose, and Decision-making Process Leading to the Decision to Conduct the Tender Offer" in "(2) Background, Purpose, and Decision-making Process Leading to Conduct the Tender Offer, and Management Policy Following the Tender Offer" in "2. Purpose of the Tender Offer" above, the Target Company resolved at the meeting of its board of directors held on August 2, 2023 to express its opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their Company Shares in the Tender Offer.

Of the seven directors of the Target Company, three (Director Ichiro Tsuge, Director Mamoru Seki, and Director Hiroshi Kajiwara) formerly worked at ITOCHU or currently related to ITOCHU, so, in consideration of the fact that the Target Company is ITOCHU's consolidated subsidiary and that the Transaction fall under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of the deliberation and resolution at the meeting of the board of directors of the Target Company being affected by such issues, the above resolutions were passed at the above meeting of the board of directors of the Target Company with the unanimous approval of the directors after deliberations among the four directors excluding these three directors.

Further, all of three audit and supervisory board members excluding Mr. Yasuyuki Harada, who from ITOCHU, attended the above board of directors meeting and all of the audit and supervisory board members who attended the meeting expressed an opinion that they have no objection to the above resolutions. All of three audit and supervisory board members excluding Mr. Yasuyuki Harada, who from ITOCHU, attended the audit and supervisory board meeting held on August 2, 2023 prior to above resolution, and it resolved to have no objection to the resolution that the Target Company's board of directors expresses an opinion in support of the Tender Offer and recommends that the shareholders of the Target Company tender their Company Shares in the Tender Offer with the unanimous consent of all audit and supervisory board members present.

Further, in consideration of the fact that the Transaction fall under a transaction that typically involves structural conflict of interests and asymmetry of information, from the perspective of eliminating the possibility of the Transaction being affected by such issues, three directors (Director Ichiro Tsuge, Director Mamoru Seki, and Director Hiroshi Kajiwara) out of directors of the Target Company and audit and supervisory board member Yasuyuki Harada of the Target Company did not participate in deliberations and resolutions at the board of directors meetings on the Transaction including the above board of directors meeting, and did not participate in discussions and negotiations on the Transaction in the position of the Target Company.

(ix) No Transaction Protection Clause

The Target Company and the Tender Offerors have not agreed to any transaction protection clause that prohibits the Target Company from contacting Competing Acquisition Offerors or made any other agreement on any matter that would restrict Competing Acquisition Offerors from contacting the Target Company, and have been mindful of ensuring fairness in the Tender Offer by not preventing any opportunity for a competing offer.

(x) Measures for Securing Opportunities for the Target Company's Shareholders to Appropriately Decide whether to Tender Their Shares in the Tender Offer

As stated in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning the So-Called "Two-Step Acquisition")" of "2. Purpose of the Tender Offer" above, the Tender Offerors clarify that (i) they plan to request, promptly after settlement of the Tender Offer is completed, (x) that the Target Company approve the Demand for Share Cash-Out, or (y) that the Target Company hold a Special Shareholders' Meeting with agenda items that include implementation of the Share Consolidation and a partial amendment of the articles of incorporation to abolish the provisions on share unit numbers subject to effectuation of the Share Consolidation, depending on the number of shares to be obtained through the Tender Offeror due to completion of the Tender Offer, and not adopt any method that does not secure the right to request purchase of shares or the right to request a determination of price of shares of the Target Company's shareholders; and (ii) when the Demand for Share Cash Out or the Share Consolidation is conducted, the amount of money to be delivered to the relevant Target Company's shareholders in exchange will be calculated so that it will be the same price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each of the shareholders (excluding the Target Company and the Tender Offerors); therefore, the Tender Offerors secure opportunities for the Target Company's shareholders to appropriately decide whether or not to tender their shares in the Tender Offer, and thereby give consideration not to put strong pressure on the shareholders to do so.

In addition, while the minimum period of purchase in a tender offer set forth in relevant laws and regulations is 20 business days, the Tender Offeror has set the tender offer period in the Tender Offer (the "Tender Offer Period") as 30 business days, which is comparatively long in light of the minimum period set forth in relevant laws and regulations. By setting a comparatively long Tender Offer Period, Tender Offerors intend to secure opportunities for the Target Company's shareholders to appropriately decide whether or not to tender their shares in the Tender Offer, and thereby ensure the fairness of the Tender Offer Price.

(iii) Relationship with the Valuation Firm

Nomura Securities, ITOCHU's financial advisor, is not a related party of the Tender Offerors and the Target Company, and does not have any significant interest in relation to the Tender Offer.

(5) Number of Shares Scheduled to Be Purchased

Number of Shares to Be Purchased	Lower Limit of Shares to Be Purchased	Upper Limit of Shares to Be Purchased
89,625,766 shares	12,550,000 shares	–

(Note 1) If the total number of Tendered Shares is below the lower limit of shares to be purchased (12,550,000 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is or exceeds the lower limit of shares to be purchased (12,550,000 shares), the Tender Offeror will purchase all the Tendered Shares.

(Note 2) Since no upper limit of shares to be purchased is set for the Tender Offer, the maximum number of shares (89,625,766 shares) that can be acquired by the Tender Offeror through the Tender Offer is indicated as the number of shares to be purchased. Such maximum number is the number of shares obtained by deducting, from the total number of the Target Company's issued common shares as of June 30, 2023, as stated in the Target Company's summary of financial results (240,000,000 shares), the number of treasury shares owned by the Target Company as of the same date (8,772,634 shares) and the number of the Target Company Shares owned by ITOCHU, which does not intend to tender its shares in the Tender Offer as of today (141,601,600 shares).

(Note 3) Shares of less than one unit are also subject to the Tender Offer. If shareholders exercise their right to request that the Target Company repurchase its shares of less than one unit in accordance with the Companies Act, the Target Company may purchase such shares during the Tender Offer Period pursuant to the procedures under laws and regulations.

(Note 4) The treasury shares held by the Target Company will not be purchased through the Tender Offer.

(6) Changes in the Ownership Ratio of Shares as a Result of the Purchase

Number of Voting Rights Pertaining to Shares Owned by	—	(Ownership Ratio of Shares Before the Purchase)

the Tender Offeror Before the Purchase		—
Number of Voting Rights Pertaining to Shares Owned by Specially Related Parties Before the Purchase	1,416,016 voting rights	(Ownership Ratio of Shares Before the Purchase) 61.24%
Number of Voting Rights Pertaining to Shares Owned by the Tender Offeror After the Purchase	896,257 voting rights	(Ownership Ratio of Shares After the Purchase) 38.76%
Number of Voting Rights Pertaining to Shares Owned by Specially Related Parties After the Purchase	1,416,016 voting rights	(Ownership Ratio of Shares After the Purchase) 61.24%
Number of Voting Rights of All Target Company Shareholders, etc.	2,311,449 voting rights	

(Note 1) "(a) Number of voting rights pertaining to Shares to be purchased" (896,257 voting rights) is the number of voting rights pertaining to number of Shares to be purchased in the Tender Offer (89,625,766 shares).

(Note 2) "Number of Voting Rights Pertaining to Shares Owned by Specially Related Parties Before the Purchase" and "Number of Voting Rights Pertaining to Shares Owned by Specially Related Parties After the Purchase" are the total number of voting rights pertaining to shares owned by each specially related party (however, among specially related parties, those who will be excluded from the specially related parties pursuant to Article 3, paragraph 2, item (i) of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; hereinafter referred to as the "Cabinet Office Ordinance") in the calculation of the ownership ratio of Shares in each item of Article 27-2, paragraph 1 of the Act shall be excluded).

(Note 3) "Number of Voting Rights of All Target Company Shareholders, etc." is the total number of voting rights of all Target Company shareholders as of March 31, 2023, as stated in the Target Company's Securities Report for the 44th term submitted on June 16, 2023 (one unit of shares is stated to consist of 100 shares). However, since shares in quantities of less than one unit are subject to the Tender Offer, for the purpose of calculating the "Proportion of voting rights represented by Shares to be purchased compared with the voting rights of all shareholders," the number of voting rights (2,312,273 voting rights) pertaining to the number of shares (231,227,366 shares) obtained by deducting (a) from (b) was used as the numerator, wherein (a) is the number of treasury shares owned by the Target Company as of June 30, 2023 (8,772,634 shares), and (b) is the total number of issued shares of the Target Company as of the same date, as stated in the Target Company's summary of financial results (240,000,000 shares).

(Note 4) With regard to the “Ownership Ratio of Shares Before the Purchase” and the “Ownership Ratio of Shares After the Purchase,” any fraction is rounded off to two decimal places.

(7) Purchase Price 387,631,437,950 yen

(Note) The purchase price is the amount calculated by multiplying the number of shares to be purchased in the Tender Offer (89,625,766 shares) by the Tender Offer Price (4,325 yen).

(8) Method of Settlement

(i) Name and Location of the Head Office of the Financial Instruments Business Operator, Bank, etc., That Settles the Purchase

Nomura Securities Co., Ltd. 1-13-1, Nihonbashi, Chuo-ku, Tokyo

(ii) Commencement Date of Settlement

September 22, 2023 (Friday)

(iii) Method of Settlement

After the expiration of the Tender Offer Period, a notice of purchase through the Tender Offer is mailed to the address of any person who accepts an offer to purchase or offers to sell Shares related to the Tender Offer (a “Tendering Shareholder”) (or the standing proxy in the case of shareholders who are residents of foreign countries and do not have active accounts with the tender offer agent (including corporate shareholders)) without delay.
The purchase is made for cash. After the commencement date of settlement, the tendering shareholders may receive the purchase price for the Tender Offer without delay in a manner that they designate, such as remittance. (Remittance fees may be charged.)

(iv) Method of Return of Shares

If it is decided that none of the Tendered Shares are purchased pursuant to the conditions stated in “(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details Thereof” and “(ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.” in “(9). Other Conditions and Procedures of the Tender Offer” below, the shares to be returned are returned promptly after two business days following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, the business day immediately following the day when the withdrawal was made) by restoring such shares to the state immediately before the tender application on the tendering shareholders’ accounts at the Tender Offer Agent. (If a tendering shareholder wishes to transfer is shares to the account of the tendering shareholder held at the other financial instruments business operator, etc., please contact the head office or a branch office of the Tender Offer Agent that accepted the tender application.)

(9) Other Conditions and Procedures of the Tender Offer

(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and Details Thereof

If the total number of Tendered Shares is below the lower limit of shares to be purchased (12,550,000 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is or exceeds the lower limit of shares to be purchased (12,550,000 shares), the Tender Offeror will purchase all the Tendered Shares.

(ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.

If any event listed in Article 14, paragraph 1, items 1(1) through 1(10) and items 1(13) through 1(19), items 3(1) through 3(8) and item 3(10) and Article 14, paragraph 2, items 3 through 6 of the Order occurs, the Tender Offer may be withdrawn. The "facts equivalent to those set forth in (1) to (9)" set forth in Article 14, paragraph 1, item 3(10) of the Order mean (i) cases where statutory disclosure documents submitted by the Target Company in the past turn out to contain false statements regarding material matters or to omit statements regarding material matters to be stated, under which the Tender Offeror did not know that the statements were false or omitted and, in the exercise of reasonable care, could not have known them, and (ii) cases where facts set forth in (1) through (7) of the same item occur in any of the Target Company's material subsidiaries.

In order to withdraw the Tender Offer, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice as soon as possible.

(iii) Conditions to Reduce Purchase Price, Details Thereof and Method of Disclosure of Reduction

In accordance with Article 27-6, paragraph 1, item 1 of the Act, if the Target Company conducts any act listed in Article 13, paragraph 1 of the Order during the Tender Offer Period, the purchase price may be reduced pursuant to the standards set forth in Article 19, paragraph 1 of the Cabinet Office Ordinance. In order to reduce the purchase price, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice as soon as possible. If the purchase price is reduced, Tendered Shares that were tendered on or before the date of the public notice are also purchased at the reduced purchase price.

(iv) Matters Concerning Tendering Shareholders' Rights to Cancel Their Agreements

The Tendering Shareholders may cancel a contract related to the Tender Offer at any time during the Tender Offer Period. When canceling the contract, please deliver or send a document indicating the intention of canceling the contract regarding the Tender Offer (the "Cancellation Document") to the head office or the domestic branch of the person designated below where your tender was accepted no later than 3:30 PM on the last day of the Tender Offer Period. However, if sending the Cancellation Document, the document must arrive by 3:30 PM on the last day of the Tender Offer Period.

When canceling a contract regarding your tender made through the online service, please cancel the contract via the online service (https://hometrade.nomura.co.jp/), or by delivering or sending the Cancellation Document. If canceling the contract via the online service, please follow the instructions provided on the online service screen, and complete cancellation procedures no later than 3:30 PM on the last day of the Tender Offer Period. Any contract regarding your tender made at a transaction branch cannot be cancelled via the online service. When delivering or sending the Cancellation Document, please first request a Cancellation Document form from your transaction branch and then deliver or send the Cancellation Document to the same transaction branch no later than 3:30 PM on the last day of the Tender Offer Period. However, if sending the Cancellation Document, the document must arrive by 3:30 PM on the last day of the Tender Offer Period.

Party authorized to receive the Cancellation Document

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo
(Other domestic branches of Nomura Securities Co., Ltd.)

The Tender Offeror will not make any claim for damages or a penalty payment to the Tendering Shareholders due to the cancellation of their contracts. In addition, the Tender Offeror will bear the cost of returning the Tendered Shares to the Tendering Shareholders. If a Tendering Shareholder applies for cancellation, the Tendered Shares shall be returned promptly after the completion of procedures related to the application for cancellation in accordance with the method stated in "(iv) Method of Returning Shares, etc." of "(8) Method of Settlement" above.

(v) Method of Disclosure in Case of Change in the Purchase Terms of the Tender Offer

The Tender Offeror may, during the Tender Offer Period, change the purchase terms, except in cases where it is prohibited by Article 27-6, paragraph 1 of the Act or Article 13, paragraph 2 of the Order. If the Tender Offeror wishes to change the purchase terms, it will issue an electronic public notice regarding the details of the change and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an electronic public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice immediately. If the purchase terms have been changed, Tendered Shares that were tendered on or before the date of the public notice are also purchased based on the changed purchase terms.

(vi) Method of Disclosure in Case of Filing of Amendment Statement

If the Tender Offeror files an amendment statement with the Chief of the Kanto Local Finance Bureau (excluding the cases set forth in the proviso to Article 27-8, paragraph 11 of the Act), the Tender Offeror will immediately make a public announcement on the details relating to those described in the public notice of the commencement of the Tender Offer among other things in the amendment statement, by the method stipulated in Article 20 of the Cabinet Office Ordinance. The Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement of the Tender Offer to the tendering shareholders to whom the explanatory statement of the Tender Offer has already been delivered. However, if the scope of the amendment is limited, the amendment may be made by preparing a document stating the reason for the amendment and the subject matters before and after the amendment, and delivering the document to the tendering shareholders.

(vii) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period using the method stipulated in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Ordinance.

(10) Date of Public Notice of Commencement of the Tender Offer

August 3, 2023 (Thursday)

(11) Tender Offer Agent

Nomura Securities Co., Ltd. 1-13-1, Nihonbashi, Chuo-ku, Tokyo

4. Policies after the Tender Offer and Future Outlook

Please see "(2) Background, Purpose, and Decision-making Process Leading to Conduct the Tender Offer, and Management Policy Following the Tender Offer", "(4) Policies for Reorganization After the Completion of the Tender Offer (Matters Concerning the So-Called "Two Step Acquisition")" and "(5) The Possibility of Delisting and Reasons Thereof" of "2. Purpose of the Tender Offer, etc." above.

5. Other Information

(1) Whether There Is Any Agreement between the Tender Offeror and the Target Company or Its Directors; Details Thereof If Applicable

(i) Support for the Tender Offer

According to the Target Company Press Release, at the Target Company's board of directors meeting held on August 2, 2023, it made a resolution declaring the Target Company's opinion supporting the Tender Offer, and to recommend to its shareholders that they tender their shares in the Tender Offer. For details, please see the Target Company Disclosure and "(viii) Approval of All Directors Without Conflicts of Interest and Non-objection of All Corporate Auditors Without Conflicts of Interest of the Target Company" in "(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)" in "(ii) Background of Valuation" in "(4) Basis for Valuation of the Tender Offer Price" in "3 Outline of the Tender Offer" above.

(ii) Background, Purpose, and Decision-making Process Leading to Conduct the Tender Offer, and Management Policy Following the Tender Offer

Please refer to "(2) Background, Purpose, and Decision-making Process Leading to Conduct the Tender Offer, and Management Policy Following the Tender Offer" in "2. Purpose of the Tender Offer, etc." above.

(iii) 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

Please refer to "(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)" in "(ii) Background of Valuation" in "(4) Basis for Valuation of the Tender Offer Price" in "3. Outline of the Tender Offer" above.

(2) Other Information Deemed Necessary for Investors to Determine Whether to Tender Their Shares in the Tender Offer

(a) Announcement of the "Summary of the Financial Results for the First Quarter of the Fiscal Year Ending March 2024 [IFRS] (Consolidated)"

The Target Company announced the Financial Results on August 2, 2023. The Target Company's status of profit and loss for the same fiscal year based on the announcement is as follows. According to the Target Company, the content thereof has not undergone quarterly review by an auditing firm pursuant to Article 193-2, paragraph (1) of the Act. In addition, the outline of the announcement below is a partial extract of the content announced by the Target Company, and the Tender Offeror is not in a position to independently verify the accuracy and truth thereof and has not actually conducted such verification. For details, please see the content of the announcement.

(i) Profit and Loss (consolidated)

Fiscal Year	The First Quarter of the Fiscal Year Ending March 31, 2024
Revenue	132,445 million yen
Operating income	8,780 million yen
Profit before tax	9,317 million yen
Net profit	6,435 million yen
Net profit attributable to Target Company's shareholders	6,373 million yen

(ii) Per Share (consolidated)

Fiscal Year	The First Quarter of the Fiscal Year Ending March 31, 2024
Basic earnings per share attributable to Target Company's shareholders	27.58 yen

Diluted earnings per share attributable to Target Company’s shareholders	27.58 yen

(b) Announcement of “Notice Regarding Revision of Dividend Forecast of the Fiscal Year Ending March 31, 2024 (No Dividend)”

According to the “Notice Regarding Revision of Dividend Forecast of the Fiscal Year Ending March 31, 2024 (No Dividend)” announced by the Target Company as of August 2, 2023, at the board of directors meeting held on the same date, the Target Company revised the dividend forecast for the fiscal year ending March 31, 2024 announced on April 28, 2023 and made a resolution not to make an interim dividend and a year-end dividend for the same period, subject to completion of the Tender Offer. For details, please see the content of the announcement by the Target Company.

[Solicitation Regulations]

This press release is intended to publicly release the Tender Offer, and was not prepared for the purpose of soliciting a tender for a sale. If you intend to tender an offer to sell shares in the Tender Offer, please make sure that you refer to the Tender Offer Explanatory Document regarding the Tender Offer in advance, and tender shares at your own discretion. This press release is not a tender for, or a solicitation for a tender for, a sale or purchase of securities, and does not constitute a part of the foregoing. In addition, this press release (or any part of it) and any distribution hereof will not be the basis for any agreement concerning the Tender Offer, nor will it be relied upon when executing an agreement.

[Cautionary Note regarding Forward-looking Statements]
This material contains outlook for the schedule and other terms of the tender offer, and statements regarding the outlook for business developments, based on views of the management team of the Tender Offerors, in the case where ITOCHU Techno-Solutions Corporation shares are acquired. Actual results may deviate significantly from these estimates due to a number of factors.

[Other Countries]

In some countries or regions, the release, issuance, or distribution of this press release may be restricted by relevant laws, in which case, please keep such restriction in mind and comply with it. This press release does not constitute a solicitation for a tender for, a sale or purchase of shares in relation to the Tender Offer, and is deemed solely as a distribution of information material.