Translation

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October 30, 2025

To whom it may concern:

Company name:	Sumitomo Riko Company Limited
Name of representative:	Kazushi Shimizu, CEO (Securities code: 5191; TSE Prime Market and NSE Premier Market)
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Notice Concerning Opinion in Favor of Tender Offer for the Company's Stock by Sumitomo Electric Industries, Ltd., the Controlling Shareholder of the Company and Recommendation to Tender

Sumitomo Riko Company Limited (the "Company") hereby announces that its board of directors, at its meeting held today, resolved to express its opinion in favor of a tender offer (the "Tender Offer") for the common stock of the Company (the "Company's Stock") by Sumitomo Electric Industries, Ltd. (the "Offeror"), the controlling shareholder (parent company) of the Company, and to recommend that the shareholders of the Company tender their shares in the Tender Offer, as detailed below.

Please note that this resolution of the board of directors was adopted on the premise that the Offeror intends to make the Company its wholly-owned subsidiary and that the Company's Stock will be delisted as a result of the Tender Offer and a series of subsequent procedures.

1. Overview of the Offeror

(1) Name	Sumitomo Electric Industries, Ltd.
(2) Location	Sumitomo Building, 4-5-33, Kitahama, Chuo-ku, Osaka
(3) Job title and name of representative	Osamu Inoue, President & COO

(4)	Description of business	Automotive business; info-communications business; electronics business; environment & energy business; industrial materials business and others.
(5)	Share capital	99,737 million yen (as of March 31, 2025)
(6)	Date of establishment	December 10, 1920
(7)	Major shareholders and ownership ratios (as of March 31, 2025) (Note 1)	The Master Trust Bank of Japan, Ltd. (trust account) 17.07%
		Custody Bank of Japan, Ltd. (trust account) 9.52%
		Nippon Life Insurance Company 3.17%
		STATE STREET BANK AND TRUST COMPANY 505001 2.52%
		SUMITOMO LIFE INSURANCE COMPANY 2.08%
		JPMorgan Securities Japan Co., Ltd. 1.88%
		STATE STREET BANK WEST CLIENT – TREATY 505234 1.83%
		Kochi Shinkin Bank 1.51%
		JP MORGAN CHASE BANK 385781 1.38%
		Sumitomo Electric Industries, Ltd. Employee Stock Ownership Association 1.31%
(8)	Relationship between the Company and the Offeror	
	Capital relationship	The Offeror Group (Note 2) holds 52,755,324 shares of the Company's Stock (Shareholding Ratio: 50.81%) (Note 3) as of today.
	Personnel relationship	As of today, two out of eight directors of the Company were employees of the Offeror in the past. Also, one out of five Audit & Supervisory Board Members of the Company was an employee of the Offeror in the past. In addition to the above, as of today, five employees of the Offeror are seconded to the Company, but no employees of the Company are seconded to the Offeror.
	Business relationship	There are no significant transactions to be mentioned.
	Related party relationship	The Offeror is the parent company of the Company, and the Offeror and the Company mutually fall under related parties.

(Note 1) "Major shareholders and ownership ratios (as of March 31, 2025)" is cited from

"Description of Major Shareholders" in its annual securities report for FY2024 (year ended March 31, 2025), which the Offeror submitted to the Director-General of the Kanto Local Finance Bureau on June 26, 2025.

(Note 2) The "Offeror Group" refers to a corporate group comprising a total of 418 companies consisting of the Offeror, its 388 consolidated subsidiaries including the Company, and its 29 affiliated companies (as of October 30, 2025); hereinafter the same.

(Note 3) "Shareholding Ratio" refers to the ratio (rounded to the second decimal place) of the number of shares held to the number of shares (103,823,998 shares) obtained by deducting the number of treasury shares held by the Company as of September 30, 2025 (218,808 shares), as stated in the Consolidated Financial Results for the Second Quarter (First Half) of the Fiscal Year Ending March 31, 2026 [IFRS] released by the Company today (the "Company's Earnings Briefing"), from the total number of issued shares of the Company's Stock as of the same date (104,042,806 shares), as stated in the Company's Earnings Briefing; hereinafter the same for the Shareholding Ratio unless otherwise stated.

2. Price of Purchase

2,600 yen per common share (the "Tender Offer Price").

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

(1) Details of the opinion

The Company, at its board of directors meeting held today, resolved to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer based on the grounds and reasons described in "(2) Grounds and reasons for the opinion" below.

The above-mentioned resolution of the board of directors was adopted in the manner described in "(VII) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested Audit & Supervisory Board Members of the Company that they have no objection" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below.

(2) Grounds and reasons for the opinion

Descriptions of the Offeror among the grounds and reasons for the opinion on the Tender Offer are based on the explanation provided by the Offeror.

(I) Outline of the Tender Offer

According to the Offeror, as of today, the Offeror directly owns 51,534,901 shares of the Company's Stock (ownership ratio (Note 1): 49.64%) listed on the Prime Market of the Tokyo Stock Exchange (the "TSE") and the Premier Market of the Nagoya Stock Exchange (the "NSE").

According to the Offeror, together with 1,220,423 shares (ownership ratio: 1.18%) of the Company's Stock indirectly owned by the Offeror's subsidiaries and affiliates, the Offeror owns 52,755,324 shares (ownership ratio: 50.81%) of the Company's Stock, making the Company a consolidated subsidiary. According to the Offeror, a breakdown of the Company's Stock owned by the Offeror's subsidiaries and affiliates is as follows: the Offeror's subsidiaries, A.L.M.T. Corp. owns 206,650 shares (ownership ratio: 0.20%), Sumitomo Electric Sintered Alloy, Ltd. owns 184,895 shares (ownership ratio: 0.18%), Kyushu Sumiden Seimitsu, Ltd. owns 184,895 shares (ownership ratio: 0.18%), Sumiden Shoji Co., Ltd. owns 142,056 shares (Note 4) (ownership ratio: 0.14%), Nissin Electric Co., Ltd. owns 138,153 shares (ownership ratio: 0.13%), TECHNO ASSOCIE Co., Ltd. owns 100,266 shares (ownership ratio: 0.10%), Sumiden Transmission and Distribution System Products, Ltd. owns 92,500 shares (ownership ratio: 0.09%), and Sumitomo Electric Tool Net, Inc. owns 92,038 shares (ownership ratio: 0.09%) (among these companies, seven companies, other than Sumiden Shoji Co., Ltd., are wholly owned subsidiaries of the Offeror (the "Wholly Owned Subsidiaries") and 999,397 shares (ownership ratio: 0.96%) of the Company's Stock owned by those seven companies are hereinafter referred to as the "Shares Owned by Wholly Owned Subsidiaries"), and other subsidiaries and affiliates of the Offeror own 78,970 shares (ownership ratio: 0.08%). According to the Offeror, at the board of directors meeting held today, the Offeror passed a resolution to execute a Tender Offer for all of the Company's Stock (excluding Company's Stock directly owned by the Offeror and treasury shares owned by the Company), as part of a transaction aimed at making the Company a wholly owned subsidiary of the Offeror (the "Transaction").

(Note 4) This figure includes 31,246 shares (rounded down to the nearest whole number) of Company's Stock indirectly owned by Sumiden Shoji Co., Ltd. through the Company's Sumitomo Riko Kyouei Stock Ownership Association.

According to the Offeror, the Offeror has set 16,681,702 shares (ownership ratio: 16.07%) as the minimum number of shares to be purchased in the Tender Offer. If the total number of shares tendered for sale (the "Tendered Shares") in response to the Tender Offer fails to meet the minimum number of shares to be purchased, the Offeror will not purchase any of the Tendered Shares. According to the Offeror, as previously stated, the intention of the Offeror is to acquire all the Company's Stock (excluding Company's Stock directly owned by the Offeror and treasury shares owned by the Company) for the purpose of making the Company its wholly owned subsidiary. Given this, it has not set a maximum number of shares to be purchased and, provided that the number of Tendered Shares is at least the minimum number of shares to be purchased, the Offeror will purchase all the Tendered Shares.

Note, according to the Offeror, that the minimum number of shares to be purchased (16,681,702 shares) is set by deducting from the number of shares (69,216,000 shares), which is obtained by

multiplying the number of voting rights (692,160 votes) by one unit (100 shares) of the Company's Stock, (i) the number of Company's Stock directly owned by the Offeror (51,534,901 shares) and (ii) the number of Shares Owned by Wholly Owned Subsidiaries (999,397 shares) (Note 5), so that such minimum number will be at least two-thirds of the total number of voting rights (1,038,239 votes) in the Company (calculated on the number of shares (103,823,998 shares) obtained by deducting (i) the number of treasury shares (218,808 shares) owned by the Company as of September 30, 2025, as stated in the Company's Earnings Briefing, from (ii) the total number of shares (104,042,806 shares) issued by the Company as of September 30, 2025, as stated in the Company's Earnings Briefing). According to the Offeror, the Offeror aims to make the Company its wholly owned subsidiary in the Transaction, and if the Tender Offer is completed successfully but the Offeror fails to acquire all Company's Stock through the Tender Offer (excluding Company's Stock directly owned by the Offeror, treasury shares owned by the Company, and the Shares Owned by Wholly Owned Subsidiaries) and follows the share consolidation procedures as stated in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" below, a special resolution at a shareholders meeting, as set forth in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same), will be necessary. The Offeror therefore set the minimum number of shares to be purchased so that the Offeror will be able to satisfy that requirement by having itself and the Wholly Owned Subsidiaries own at least two-thirds of the total number of voting rights of all shareholders of the Company after the Tender Offer, in order to ensure the implementation of the Transaction.

(Note 5) According to the Offeror, the Offeror does not intend to have its Wholly Owned Subsidiaries tender the Shares Owned by Wholly Owned Subsidiaries to the Tender Offer, and upon the successful completion of the Tender Offer, the Offeror is contemplating having the Shares Owned by Wholly Owned Subsidiaries (if a share consolidation will be implemented in the Squeeze-out Process, a fractional number corresponding to those shares) belong to itself through the Squeeze-out Process (as defined below; hereinafter the same) or by delivering those shares to itself as dividend assets after the elapse of the period of purchase for the Tender Offer (the "Tender Offer Period"). According to the Offeror, in any case, the Wholly Owned Subsidiaries intends to support the Squeeze-out Process; accordingly, it deducted the number of the Shares Owned by Wholly Owned Subsidiaries when setting the minimum number of shares to be purchased.

According to the Offeror, as stated above, as of today, the Offeror does not intend to have its Wholly Owned Subsidiaries tender all of the Shares Owned by Wholly Owned Subsidiaries (999,397 shares) to the Tender Offer. According to the Offeror, it intends to take measures to make the Company its wholly owned subsidiary, including acquiring the Shares Owned by Wholly Owned

Subsidiaries without paying transfer proceeds by receiving delivery thereof as dividend assets after the Tender Offer Period has elapsed. According to the Offeror, the specific measures to be taken will be determined after the Tender Offer Period has elapsed.

According to the Offeror, its aim is to make the Company the Offeror's wholly owned subsidiary. Consequently, according to the Offeror, in the event that the Offeror is unable to acquire all of the Company's Stock (excluding Company's Stock directly owned by the Offeror, treasury shares owned by the Company, and the Shares Owned by Wholly Owned Subsidiaries) in this Tender Offer, it plans to acquire all of the Company's Stock (excluding Company's Stock directly owned by the Offeror and treasury shares owned by the Company. As stated above, depending on the measures to be taken for the Shares Owned by Wholly Owned Subsidiaries, all or some of the Shares Owned by Wholly Owned Subsidiaries may be included) by executing a series of procedures (the "Squeeze-out Process"), as stated in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" below to ensure that it becomes the sole shareholder of the Company. According to the Offeror, as of today, the Company's Stock is listed on the Prime Market of the TSE and the Premier Market of the NSE. However, depending on the outcome of the Tender Offer, it may be delisted using the prescribed procedures, as stated in "(4) Possibility of delisting and reason therefor" below. Alternatively, according to the Offeror, if it is decided that various procedures will be executed as stated in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" below, then it will be delisted using the relevant, prescribed procedures.

(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror

(i) Background of the Tender Offer

According to the Offeror, the Offeror was founded by Sumitomo Head Office in April 1897 as the Sumitomo Copper Rolling Works, to manufacture copper wire, etc. In August 1911, it split from Sumitomo Copper Rolling Works to become Sumitomo Electric Wire & Cable Works, a company that manufactured electric wire, before restructuring as Sumitomo Electric Wire & Cable Works Co., Ltd., in December 1920, and becoming incorporated as a separate company from Sumitomo General Head Office. It subsequently changed its name to Sumitomo Electric Industries, Ltd. in November 1939. In May 1949, the Offeror's stock was listed on the First Section of the TSE, the First Section of the Osaka Securities Exchange Co., Ltd., (the "OSE") and the First Section of the NSE and, in June of the same year, on the Main Board of the Securities Membership Corporation Fukuoka Stock Exchange (the "FSE"). Thereafter, due to the cash market of the OSE being merged to the TSE in July 2013, the Offeror became listed on the First Section of the TSE, the First Section of the NSE, and the Main Board of the FSE. Furthermore, according to the Offeror, following the

market reclassification at the TSE and NSE on April 4, 2022, the Offeror is currently listed on the TSE's Prime Market; the NSE's Premier Market; and the FSE's Main Board. According to the Offeror, its basic policy remains unchanged and promotes fair business activities governed by a high standard of corporate ethics that are based on the "Sumitomo Spirit" and the "Sumitomo Electric Group Corporate Philosophy." According to the Offeror, from its founding to the present day, the Offeror has expanded its areas of operation, creating new products and technologies through research and development based on electric wire and cable manufacturing technology, and the challenge of new business segments.

According to the Offeror, as of today, the Offeror Group (meaning the Offeror and its consolidated subsidiaries and equity-method affiliates; hereinafter the same) consists of the Offeror, its 388 consolidated subsidiaries (including the Company), and 29 affiliated companies, and is involved in developing business activities such as product development, manufacturing, sales, and services, etc., across its five divisions; these being Environment & Energy, Info-communications, Automotive, Electronics, and Industrial Materials.

According to the Offeror, the market environment surrounding the Offeror Group is changing rapidly with sophisticated social needs and intensified competition in the Energy sector and Info-communications sector, etc., to say nothing of the Mobility sector, given the global trend toward decarbonization and carbon neutrality. According to the Offeror, the Offeror Group recognizes that the business environment surrounding the automotive industry in particular is undergoing a dramatic upheaval. According to the Offeror, it believes that, moving forward, the business environment will become even more uncertain as these environmental changes accelerate further, influenced by various trends such as the continued unstable situation in Ukraine, the deepening of confrontation between the United States and China, the acceleration of inflation including crude oil and raw material prices and rising interest rates, continued disruptions to logistics and supply chains, and the proliferation of generative AI. According to the Offeror, in order to achieve steady growth in such a business environment, the Offeror has continuously considered various strategies to improve its medium-to-long term corporate value, including the ideal arrangement for the Offeror Group's management. According to the Offeror, as a result, in May 2022 the "Sumitomo Electric Group 2030 Vision" was established as a long-term vision for 2030 (the "Long-term Vision") to present the aims of the Offeror Group. In the Long-term Vision, the purpose of the Offeror Group is defined as "Contribute to building a better society by pursuing Top Technology and innovation on a global scale, using the integrated capabilities of Sumitomo Electric Group." According to the Offeror, in terms of business areas, the Offeror Group is focusing on three sectors: namely, the energy sector, where renewable energy and distributed power sources (Note 6) are expected to be introduced on a large scale; the info-communications sector, which is increasingly expected to demand higher speeds and greater capacity for communications, accompanied by lower levels of power consumption; and the mobility sector, which is expected to see electronic developments and

the emergence of new mobility initiatives, as well as greater links between automotives and external services. According to the Offeror, the Offeror Group's policy is to utilize its technical expertise in each of the three focal sectors and use the integrated capabilities of the Offeror Group to meet market expectations, capturing the needs of social change such as GX (Note 7), DX (Note 8) and CASE (Note 9). According to the Offeror, in May 2023, it announced the "Mid-term Management Plan 2025" (the "Mid-term Management Plan"); based on the Long-term Vision and the Mid-term Management Plan, the Offeror has further clarified its responses to needs of social change, which include GX, DX, and CASE.

(Note 6) This refers to systems that supply power by distributing relatively small power generators close to areas of consumption.

(Note 7) GX is an abbreviation for Green Transformation, which means transforming the socio-economic system and industrial infrastructure by switching from the use of fossil fuels and electric power, which create greenhouse gas emissions, to clean, renewable energy that does not create greenhouse gases (such as carbon-free gases, solar power and wind power).

(Note 8) DX is an abbreviation for Digital Transformation, which means combining data and digital technology to transform various things, including products, services and business models, in order to create a competitive advantage.

(Note 9) This is a coined term that combines the initials of the important elements showing the future trend of the automotive industry: "Connected," "Autonomous," "Shared and Services," and "Electric."

On the other hand, the Company was established as Showa Kogyo Co., Ltd. in December 1929 for the purpose of manufacturing products such as rubber belts. Subsequently, the corporate name was changed to Kabata Chotai (Belt) Co., Ltd. in January 1930, to Tokai Rubber Industries, Ltd. (using *kanji* (Chinese characters) for "Rubber" in the Japanese name) in October 1937, to Tokai Rubber Industries, Ltd. (changed *kanji* for "Rubber" in the Japanese name to *katakana* (Japanese characters)) in November 1961, and to Sumitomo Riko Company Limited, as it is known today, in October 2014. Further, after being listed on the NSE in July 1949 and on the Second Section of the TSE in February 1994, the Company received designation of a security to be listed in the First Section of both TSE and NSE in September 1996, and following the market reclassification of the TSE and NSE in April 2022, the Company is currently listed on the Prime Market of the TSE and the Premier Market of the NSE.

As of October 30, 2025, the Sumitomo Riko Group (Note 10) consists of the Company, its 74 consolidated subsidiaries, and its seven affiliated companies. In the Automotive Products Division, based on the core competencies of "polymer materials technology," that creates high-performance

materials and produces high-value-added products based on the respective technologies of compound design, synthesis, and modification, and the "comprehensive evaluation technology," that enables in-house evaluation and verification of the performance and reliability required for the products, both of which have been cultivated since its founding, the Sumitomo Riko Group makes full use of the vibration and noise control technology it has accumulated through the development of anti-vibration rubbers and the fluid conveyance technology it has honed through the development of hoses, and works to create and develop products that will provide new value for future automobiles. Meanwhile in the General Industrial Products Division and the New Business Division, it is working to create and develop, among others, industrial hoses and rail vehicle products that are essential for infrastructure development, various seismic control systems that are effective for earthquake countermeasure, precision parts for office automation that support functional and comfortable office environments, and various healthcare products that make use of its unique "Smart Rubber (SR) Sensor" (Note 11) technology.

The Sumitomo Riko Group is promoting its business activities based on the "2025 Sumitomo Riko Group Mid-term Management Plan (2025P)," a three-year business plan released on May 30, 2023, with the aim of transforming itself into a "leading solution provider taking on social challenges by aggregating whole resources of Sumitomo Riko and its partners," as set out in the "2029 Sumitomo Riko Group Vision (2029V)" released on the same day. With the theme of "further enhancing profitability and strengthening the management foundation for sustainable growth," the Sumitomo Riko Group is working on the following initiatives in each segment with the aim to improve corporate value, setting "creation of new businesses and new customers," "MONOZUKURI innovation," and "strengthening of global management foundation" as the pillars of its management strategy.

(Note 10) The "Sumitomo Riko Group" refers to a corporate group comprising a total of 82 companies consisting of the Company, its 74 consolidated subsidiaries, and its seven affiliated companies (as of October 30, 2025); hereinafter the same.

(Note 11) The Company's unique flexible sensor technology that applies the conductive character of rubber to detect pressure and distortion with high sensitivity. The use of flexible and stretchable conductive rubber enables non-contact detection of biometric information such as body pressure, heart rate, respiration, and body movement, while reducing discomfort for the wearer. This technology is being widely applied, for example in driver monitoring systems for automobiles and in the healthcare field.

A. Automotive Products Division

Based on the core competencies of "polymer materials technology" and the "comprehensive evaluation technology" that the Sumitomo Riko Group has cultivated since its founding, the

Advanced Systems R&D Center plays a leading role in advancing the creation and development of products that provide new value for future automobiles (mobility), focusing on the development of new products in the two fields of "A: Autonomous" and "E: Electric" in "CASE." Specifically, the Sumitomo Riko Group believes that the thin-film high-heat insulation material "Finesulight®," generated from its core technologies, will contribute to solving various issues that are considered the bottlenecks of electric vehicles (EVs), such as electric consumption, cruise distance, and battery safety improvement. In the anti-vibration rubber business, in line with the EV era, the Sumitomo Riko Group is evolving engine mounts (Note 12) to products such as motor mounts (Note 13) and eAxle mounts (Note 14) that offer more advanced vibration control and is promoting sales expansion not only to Japanese automobile manufacturers but also to overseas automobile manufacturers. In the automotive hose business, in line with the growing need for thermal management of components such as batteries and motors for EVs, the Sumitomo Riko Group is focusing on the development of products such as cooling hoses and battery cooling plates that make use of the fluid conveyance technology it has cultivated in other products. The Sumitomo Riko Group is also continuing to expand sales of products such as fuel hoses and fuel hoses for biofuels that comply with environmental regulations in various countries. In addition, for the realization of a hydrogen society, the Sumitomo Riko Group supplies key components for fuel cell electric vehicles (FCEVs) and its products continue to be adopted in fuel cell electric vehicles (FCEVs) of Japanese automobile manufacturers.

(Note 12) Parts that support the engine on the vehicle body to reduce vibration and noise. The adaptive hydraulic type, in particular, contributes to the compatibility of comfort and stable steering.

(Note 13) Parts that support the motor on electric vehicles, including HEVs and EVs, to reduce high-frequency vibrations. The Company has a track record in developing and supplying them for next-generation vehicles.

(Note 14) Parts that support the electric drive module integrating a motor, a speed reducer, and an inverter. They are designed to ensure the compatibility of comfort and responsiveness, while giving consideration to protection for high-voltage parts in the event of a collision.

B. General Industrial Products Division and New Business Division

The General Industrial Products Division is developing business in the fields of "infrastructure and housing environment," "electronics," and "healthcare," which are essential for building the foundation of social environment infrastructure. In the housing environment field among the General Industrial Products Division, the seismic control system for buildings, "TRC Damper" (Note 15), is expected to contribute to disaster prevention and mitigation, particularly in Japan, which is prone to earthquakes. In the infrastructure field, the Sumitomo Riko Group aims to improve the profitability

of high-pressure hoses by, in addition to cost reduction, actively entering the repair products market and promoting the expansion of global sales, particularly in areas where it has not yet entered. In the electronics field, the Sumitomo Riko Group is pursuing structural reforms aimed at shifting to a system that can flexibly respond to changes in demand due to the maturation of the office automation market and changes in working styles. Furthermore, in the healthcare field, the "MONILIFE" (Note 16) series based on the Smart Rubber (SR) Sensor is being considered for use in providing sleep analysis services and high-quality sleep environments for guests in the accommodation industry, and the Sumitomo Riko Group aims to contribute to people's lives and health through its technology and product development.

(Note 15) A vibration damper for buildings that is a vibration-damping device using the Company's unique special viscoelastic rubber material to reduce the shaking and distortion of buildings caused by earthquakes and winds.

(Note 16) A collective term for the sensing solutions, which applies the Company's unique Smart Rubber (SR) Sensor technology and enables non-contact detection and analysis of vital information such as human body movement, respiration, and heart rate. The Company develops, among others, driver condition detecting system for automobiles (MONILIFE Mobility) and sleep monitoring system for accommodations and nursing homes (MONILIFE Wellness) and aims to enhance comfort and safety by combining them with the "MONILIFE platform," which analyzes sensing data in the cloud.

According to the Offeror, the capital ties between the Offeror and the Company originate from the acquisition in October 1937 by the Offeror's predecessor Sumitomo Electric Wire & Cable Works Co., Ltd. of 6,000 shares in the Company (37.50% of the total number of shares in the Company issued at that time) through a share transfer, in accordance with a capital and business alliance agreement. According to the Offeror, since then, it has been acquiring the Company's Stock in stages by underwriting new share issues for the purpose of allocating working capital to, and making capital investments in, the Company and through other similar actions. According to the Offeror, in September 1942, the Offeror made the Company a consolidated subsidiary, holding 14,500 shares (51.79% of the total number of issued shares in the Company at that time). According to the Offeror, it has thereafter acquired the Company's Stock in stages and, as of today, the Offeror owns 52,755,324 shares (ownership ratio: 50.81%) of the Company's Stock, together with the 1,220,423 Company's Stock (ownership ratio: 1.18%) indirectly owned through its subsidiaries and affiliates.

(ii) Background and purposes leading to the implementation of the Tender Offer by the Offeror

A. Background to making the Company a wholly-owned subsidiary

According to the Offeror, as stated in "(i) Background to the Tender Offer" above, in its Long-

term Vision and the Mid-term Management Plan, the Offeror states that it will focus on three key areas: the energy sector, the info-communications sector, and the mobility sector and identify new demands generated by social changes, such as GX, DX and CASE, and respond to market expectations with the integrated capabilities of the Offeror Group. According to the Offeror, it believes that in the future business environment for the mobility sector, the electrification of vehicles, the expansion of automated driving, the acceleration of efforts regarding next-generation mobility systems such as ultra-compact mobility, the expansion of mobility services such as MaaS (Note 17), and the expansion of connection between vehicles and external services, are expected to occur. According to the Offeror, in response to such changes in the business environment surrounding mobility, based on its global manufacturing capabilities and personnel with high-level skill and proficiency, which it has developed with a focus on wire harnesses (Note 18) as its core business, the Offeror intends to take on the challenges of electrification and high-speed communication of mobility, including architectural transformation, in addition to strengthening existing products by utilizing the wide range of technological knowledge it has accumulated through its business in the mobility sector, as well as in the energy sector and the info-communications sector. According to the Offeror, in addition, in fields where the mobility, energy, and info-communications sectors are integrated, the Offeror will exert the integrated capabilities of the Offeror Group and provide a wide variety of products and services that meet the market needs.

(Note 17) "MaaS" is an abbreviation for "Mobility as a Service," which refers to a concept of mobility that involves cloud-based transportation using ICT and considers mobility through all means of transportation, excluding private cars, as a kind of services, and connects them seamlessly.

(Note 18) A wire harness is an electrical wiring system consisting of electrical wires, connectors, and other components, used to transmit information and electrical power within an automobile.

Meanwhile, the Sumitomo Riko Group recognizes that the uncertainty in the economic environment is further heightening, due to the complexly intertwined factors including the materialization of policy change risks following the election results in major countries, the prolonged geopolitical risks, the slowdown in the Chinese economy, and the risk of sharp exchange rate fluctuations resulting from changes in policy interest rates, in addition to the global trend toward the realization of a sustainable society and the drastic changes in the automobile industry, such as CASE. Under these circumstances, the Sumitomo Riko Group is promoting its business activities based on its "2025 Sumitomo Riko Group Mid-term Management Plan (2025P)," a three-year business plan. The policy is to enhance profitability and strengthen the management foundation by continuing to promote development of products that make full use of the Sumitomo Riko Group's

core competencies in "polymer materials technology" and "comprehensive evaluation technology," expanding orders by leveraging the global production system, and cost reduction activities and overhead cost control. In addition, the Sumitomo Riko Group aims to achieve sustainable growth and realize a prosperous society together with its wide range of stakeholders by achieving the financial targets and promoting ESG management and management conscious of capital costs and stock prices. Furthermore, with regard to the development of new products, the Sumitomo Riko Group plans to strengthen the collaboration with its parent company, the Offeror, and promote the creation of synergies to an even greater extent than before.

According to the Offeror, while the Offeror is required to integrate cross-sectoral technologies and know-how in a business environment that is undergoing drastic changes, as stated above, the Offeror believes that it is important to further integrate the knowledge of each company in the Tender Offer Group, in order to view these changes as growth opportunities and respond flexibly. According to the Offeror, in addition, given that strengthening the competitiveness of the automotive industry, which is one of Japan's core industries, will become even more important due to factors including the shift to EVs, advanced informatization, cross-industry co-creation, greening, efforts towards a circular economy (Note 19), and the recent tariff policies implemented in the United States, in terms of various changes originating from the mobility sector, the Offeror considers that deepening cooperation with the Company – which has high technical capabilities, especially in the mobility sector, and a firm position in the market – is effective for further reinforcement of its customer service capability. Further, according to the Offeror, the Company's proprietary technologies related to polymers and materials have the potential to be deployed not only in the mobility sector but also in GX fields such as the environment, energy, information communications, and electronics, and the Offeror believes that further growth can be expected when these technologies are combined with the technical and research and development capabilities of the Offeror Group. According to the Offeror, to facilitate such collaboration, the Offeror recognizes that it is essential to build a more integrated business management system that enables the Offeror and the Company to share insight regarding changes in the business environment, bring together the fundamental and universal strengths and knowledge of both companies, identify and assess changes in the business environment, and provide one-stop value as a "global mobility supplier" in the mobility sector.

According to the Offeror, however, it recognizes that, under the current circumstances, where both the Offeror and the Company operate independently as listed companies, there are inherent limitations on the sharing of information, management resources, human resources, and know-how. As a result, further promotion of integrated management is constrained under the existing capital relationship.

(Note 19) Circular economy refers to an economic system that efficiently circulates resources to

create a sustainable society, aiming for economic growth.

According to the Offeror, under such circumstances, since June 2025, the Offeror has considered transforming the Company into its wholly owned subsidiary through a tender offer, as a measure to resolve the structural conflict of interest that may occur between the Offeror and the Company's ordinary shareholders due to both the Offeror and the Company being listed companies, while aligning the interests of the Offeror Group and the Sumitomo Riko Group. Simultaneously, this action is intended to enable the Company to make agile decisions, thereby promoting the growth of the Sumitomo Riko Group and the Offeror Group from a medium-to-long-term perspective.

According to the Offeror, as a result, in early July, the Offeror anticipated that, by establishing the Company as a wholly owned subsidiary, further synergies will be realized through the mutual utilization of management resources such as customer bases, business platforms, and financial bases, and the enhancement of flexibility and speed of decision-making in the management strategy of the Offeror Group, which includes the Company. Further, optimal resource allocation, investment, research and development, etc. will be promoted on a group-wide basis, which will enable competitive customer proposals. Accordingly, the Offeror determined that the implementation of the Transaction will significantly improve the corporate value of the Offeror Group as a whole, including the Company, and that it is necessary to convert the Company into its wholly owned subsidiary.

B. Synergies from making the Company a wholly-owned subsidiary

According to the Offeror, the Offeror and the Company have previously considered and implemented collaborations, and since both the Offeror and the Company are listed companies, recognizing the importance of maintaining independence, the Offeror is aware of the issue concerning certain restrictions on sharing customer bases, including the sales information of the Offeror Group and the Sumitomo Riko Group, and business bases, including technical information, with each other, such as the need to take measures after sufficiently considering the structural conflict of interest that may occur between the Offeror and the Company's ordinary shareholders. According to the Offeror, it believes that through the Transaction, the potential risk of conflict of interest between the parent company and ordinary shareholders associated with the parent-subsidiary listing will be eliminated, enabling the Company to make agile decisions, and that further promotion of the integration of the two companies will maximize various synergistic breakthroughs from new perspectives, and optimal resource allocation, investment, research and development, etc. will be promoted on a group-based basis, enabling competitive customer proposals. Therefore, the Offeror believes that this will lead to an improvement of corporate value of both the Offeror and the Company.

According to the Offeror, it verified the synergies over multiple occasions in the process of

considering making the Company the Offeror's wholly owned subsidiary. As a result, the Offeror believes the potential synergies by the Transaction are as follows:

<Strengthening of research and development capabilities and new product development capabilities through the integration of technology and know-how>

According to the Offeror, in terms of research and development capabilities, the Offeror believes that the Transaction will enable the promotion of research and development based on the Company's utilization of material technologies and fundamental technologies (such as AI, IoT, computational science, analysis technology, and security) of the Offeror, as well as accelerating joint research and development, and avoiding duplicate research.

According to the Offeror, in terms of intellectual property, the Offeror believes that the Transaction will enable it to share its global intellectual property management system and specialized departments, thereby enhancing the network and bargaining power necessary for the Company to acquire, defend, and enforce intellectual property rights. The Offeror believes that by combining its intellectual property know-how with the Company's core technology, development of new technical areas and establishment of technical advantages can be expected.

According to the Offeror, in terms of new product development capabilities, the Offeror intends to discover breakthroughs in synergies from new perspectives, such as modules that combine the Company's in-depth knowledge of materials, sensors, and other relevant products with heat-blocking, heat radiation, vibration control, and quietness by applying heat control and fluid control technology and other similar technology based on polymer material technology, which is one of the core competencies of the Company, with the Offeror's various products, and system products that integrate electric power and communication technologies, and create new businesses. According to the Offeror, it believes that, through further integration, development of new products not only by combining existing products but also by combining the basic technologies of both companies can be promoted.

According to the Offeror, furthermore, in terms of businesses related to environmental measures, the Offeror aims for the establishment of recycle technology through the promotion of a circular economy, and believes that combining the Company's anti-vibration business and chemical products business with the Offeror's electronics and info-communications business foundation will enable further development of environmental measures in the housing environment and infrastructure field.

<Mutual utilization of global business platforms (customers, production sites, and procurement networks)>

According to the Offeror, while both the Offeror and the Company operate in the mobility sector and have a common business field, the Offeror also engages in a wide range of businesses within

the info- communications sector and energy sector, and the Company is engaged in business in the General Industrial Products sector, infrastructure and housing environment sector, electronics sector, and healthcare sector. Therefore, the Offeror believes that mutual utilization of customer network and sales offices through the Tender Offer will enable both companies to acquire contact points with customers from different industries. The Offeror also believes that the two companies can deepen their relationships with existing customers through integrated proposals that combine the capabilities of both companies.

According to the Offeror, in terms of procurement, logistics, and manufacturing, the future of the business environment surrounding both companies is becoming more uncertain due to increasing political and geopolitical risks. As both the Offeror and the Company operate on a global scale, the Offeror believes that the mutual utilization of the logistics and procurement networks, production bases, and manufacturing facilities of both companies will diversify and provide multiple alternatives for the supply chain, ultimately strengthening resilience and thereby improving flexibility with regard to changes to the business environment. Further, the Offeror expects that maximization of economies of scale through joint purchasing from suppliers and other similar actions will reduce procurement costs.

Moreover, according to the Offeror, it believes that the improvement and optimization of the functions of indirect departments can be promoted through sharing knowledge, functions, locations, and resources between the administrative departments of the Offeror and the Company, unifying the accounting system, and utilizing human resource development programs and various shared services (Note 20).

(Note 20) Shared services refers to a management approach aimed at improving operational efficiency by consolidating the functions of indirect departments, such as human resources, accounting, and information systems, into a single organization.

<Maximum utilization of human resources through the integration and exchange of teams and human resources>

According to the Offeror, in the current relationship between the Offeror and the Company, which is a listed subsidiary, there are restrictions that require respect for the independence and autonomy of the Company as a listed company, while making efforts to avoid conflicts of interest between the Offeror, which is the parent company, and other ordinary shareholders. Due to this, the Offeror and the Company conduct hiring and human resources development independently and have certain limitations such as lack of personnel exchange. Accordingly, the Offeror believes that the Offeror Group, including the Company, has not completely optimized its management resources. The Offeror believes that by making the Company a wholly owned subsidiary of the Offeror through the Transaction, the sharing of know-how will accelerate through staffing and personnel exchange

to appropriately respond to a business environment that requires the integration of knowledge across multiple fields, and that the development and proposal capabilities leading to differentiation from competitors will be strengthened, as described in the "<Strengthening of research and development capabilities and new product development capabilities through the integration of technology and know-how>" above.

In addition, according to the Offeror, it believes that it will be able to advance its existing efforts in various fields such as business management, technology, sales, production, and development, and further promote human resource exchanges without barriers, and that know-how regarding overseas expansion of business operations will be shared through the global business expansions of both companies, and that governance and risk management capabilities will be strengthened when expanding business globally for further future growth.

<Strengthening risk management capabilities through mutual sharing of knowledge>

According to the Offeror, by exchanging expertise accumulated by the Offeror and the Company to date with regard to business risks and various risks related to disasters, pandemics, and threats to information security, the Offeror and the Company are expected to build a more appropriate risk management system and improve the effectiveness of group management. According to the Offeror, both the Offeror and the Company are engaged in business projects related to automotive parts, where a typical risk is that any quality issues with products and parts may lead to a loss of credibility and significant indemnification claims from clients. According to the Offeror, another characteristic of this business is the time required to stabilize operations after entering a new market. The Offeror expects that by further sharing the experience, expertise, and know-how regarding local markets that each company has gathered in various countries and regions to date, as well as their relationships with business partners and customers, the Offeror and Company will collectively ensure better risk management to combat these risks and challenges and thereby facilitate more consistent global expansion.

C. Background leading to the decision to implement the Tender Offer

According to the Offeror, in light of the aforementioned background, purpose, and anticipated synergies, in early June 2025, the Offeror concluded that, in order to further improve the corporate value of both companies, it is necessary to strengthen collaboration between the two companies even further and amalgamate management resources by making the Company a wholly owned subsidiary of the Offeror.

According to the Offeror, it started specifically considering the Transaction after appointing JPMorgan Securities Japan Co., Ltd. ("JPMorgan Securities") as its financial advisor and third-party valuation organization independent of the Offeror and the Company on June 9, 2025, and Nishimura & Asahi as its legal advisor on June 25, 2025. The Offeror also made a proposal to the

Company to make the Company its wholly owned subsidiary and provided the Company with a non-legally binding preliminary letter of intent, which states the background and purposes of the Transaction, expected measures for improvement of corporate value, and the expected structure of the Transaction, under which the Offeror intends to make the Company its wholly owned subsidiary through squeeze out procedures against the Company's ordinary shareholders and other similar procedures as necessary after implementing the Tender Offer (the "Proposal") on July 7, 2025.

To this, considering that the Company is a subsidiary of the Offeror and that the Transaction is a type of transaction involving issues of structural conflict of interest and information asymmetry, the Company began to establish a system to review and negotiate the Transaction from a standpoint independent of the Offeror and from the perspective of increasing the Company's corporate value and securing the interests of the Company's ordinary shareholders, in order to address these issues and ensure the fairness of the Transaction, including the Tender Offer. Specifically, as described in "(i) Background to the establishment of an evaluation framework" under "(IV) Decision-making process of the Company's board of directors" below, before commencing to review the Transaction as well as to discuss on and negotiate the Transaction with the Offeror, for the purpose of ensuring the fairness of the Tender Offer Price and other aspects of the Transaction, the Company appointed Daiwa Securities Co., Ltd. ("Daiwa Securities") as its financial advisor and third-party valuator, and Anderson Mori & Tomotsune as its legal advisor, both of which are independent of the Offeror Group (excluding the Offeror and the Sumitomo Riko Group) and the Offeror (collectively, the "Offeror Parties"). Further, in order to review, negotiate, and make a decision on the Transaction from a standpoint independent of the Offeror Parties and from the perspective of increasing the Company's corporate value and securing the interests of the Company's ordinary shareholders, the Company established the Special Committee (as defined in "(i) Background to the establishment of an evaluation framework" under "(IV) Decision-making process of the Company's board of directors" below; hereinafter the same). The Special Committee approved to appoint Daiwa Securities as the financial advisor and third-party valuator and Anderson Mori & Tomotsune as the legal advisor, respectively, and decided to appoint PLUTUS CONSULTING Co., Ltd. ("Plutus Consulting") as its own financial advisor and third-party valuator independent from the Offeror.

Following the above procedures, the Offeror and the Company commenced specific consultations and deliberations for the Transaction from July 9, 2025.

According to the Offeror, along with carrying out the due diligence on the Company during the period from early August 2025 to early September 2025 to closely examine the feasibility of the Tender Offer, the Offeror has been discussing with the Company and the Special Committee the significance and purposes of the Transaction, the synergies expected from the Transaction, the post-Transaction management structure and business policy, and the conditions of the Transaction, including the Tender Offer Price. In particular, on August 13, 2025, the Offeror received questions

in writing from the Company and the Special Committee concerning matters such as the significance and purpose of the Transaction, the background of the proposal for the Transaction, synergies of the Transaction, disadvantages of the Transaction, the structure of the Transaction, and the Company's post-Transaction management policy (the "Questionnaire"). According to the Offeror, on August 22 the same year, the Offeror provided the Company with a written response to the Questionnaire. Furthermore, in connection with the response, the Offeror attended an additional interview regarding the Questionnaire with the Company and the Special Committee at the Special Committee meeting held on August 27, 2025, during which it provided explanations regarding its answers and participated in a question-and-answer session and related discussions. According to the Offeror, since September 29, 2025, the Offeror and the Company have held discussions and negotiations on the Tender Offer Price on multiple occasions. According to the Offeror, specifically, it comprehensively took into consideration the information obtained through due diligence conducted by the Offeror on the Company, an initial analysis of the value of the Company's Stock conducted by JPMorgan Securities, the Offeror's financial advisor, based on that information, and details of an initial analysis of the value of the Company's Stock conducted by the Offeror based on that information. As a result, on September 29, 2025, the Company made a proposal concerning the Transaction including to the effect that based on the premise that no year-end dividends will be paid for FY2026, the Tender Offer Price will be 2,300 yen (2,300 yen represents a premium of 2.68% (rounded to the second decimal place; hereinafter the same regarding calculation of the premium rates) on the closing price of 2,240 yen of the Company's Stock on the Prime Market of the TSE as of September 26, 2025, which is the business day prior to the day on which this proposal was made); 3.42% on the simple average closing price of 2,224 yen (rounded to the nearest Japanese yen; hereinafter the same regarding simple average closing prices) for the previous month up to the same date; 15.23% on the simple average closing price of 1,996 yen for the previous three months up to the same date; and 27.78% on the simple average closing price of 1,800 yen for the previous six months up to the same date). In response to this, according to the Offeror, on October 1, 2025, the Company requested that the Offeror reconsider the Tender Offer Price, stating that the Tender Offer Price was below the price level that would reflect the Company's intrinsic value. According to the Offeror, based on such request, the Offeror carefully considered the Tender Offer Price and on October 7, 2025, the Offeror made another proposal to the Company and the Special Committee to the effect that the Tender Offer Price will be 2,400 yen (2,400 yen represents a premium of 9.24% on the closing price of 2,197 yen of the Company's Stock on the Prime Market of the TSE as of October 6, 2025, the business day prior to the day on which this proposal was made); 7.91% on the simple average closing price of 2,224 yen for the previous month up to the same date; 17.42% on the simple average closing price of 2,044 yen for the previous three months up to the same date; and 31.58% on the simple average closing price of 1,824 yen for the previous six months up to the same date). In response to this, according to the Offeror, on October 8, 2025, the Company

requested that the Offeror reconsider the Tender Offer Price, stating that, based on the trend of the Company's share price, the premium level in other similar cases, and the trial calculation results of the share value of the Company's Stock conducted by the Company's third-party valuation organization, the reproposed Tender Offer Price still did not fully reflect the Company's intrinsic value. According to the Offeror, based on such request, the Offeror carefully considered the Tender Offer Price again and on October 14, 2025, the Offeror made another proposal to the Company and the Special Committee to the effect that the Tender Offer Price will be 2,480 yen (2,480 yen represents a premium of 17.87% on the closing price of 2,104 yen of the Company's Stock on the Prime Market of the TSE as of October 10, 2025, the business day prior to the day on which this proposal was made); 12.37% on the simple average closing price of 2,207 yen for the previous month up to the same date; 19.63% on the simple average closing price of 2,073 yen for the previous three months up to the same date; and 34.05% on the simple average closing price of 1,850 yen for the previous six months up to the same date). In response to this, according to the Offeror, on October 15, 2025, the Company requested that the Offeror reconsider the Tender Offer Price, stating that, in light of the trial calculation results of the share value of the Company's Stock conducted by the Company's third-party valuation organization, the reproposed Tender Offer Price still did not fully reflect the Company's intrinsic value and was not at the level to which the Company could agree based on the trend of the Company's share price and the premium level in other similar cases. According to the Offeror, based on such request, the Offeror carefully considered the Tender Offer Price again and on October 20, 2025, the Offeror made another proposal to the Company and the Special Committee, which set the Tender Offer Price at 2,510 yen (which represents a premium of 19.47% on the closing price of 2,101 yen of the Company's Stock on the Prime Market of the TSE as of October 17, 2025, the business day prior to the day on which this proposal was made; 15.56% on the simple average closing price of 2,172 yen for the previous month up to the same date; 19.64% on the simple average closing price of 2,098 yen for the previous three months up to the same date; and 33.80% on the simple average closing price of 1,876 yen for the previous six months up to the same date). In response to this, according to the Offeror, on October 22, 2025, the Company stated that the reproposed Tender Offer Price still did not fully reflect the Company's intrinsic value and was not at the level to which the Company could agree, compared to the premium level in other similar cases, and therefore, that the Offeror reconsider the Tender Offer Price, taking into consideration synergies to be generated by implementing the Transaction and the distribution of such synergies. According to the Offeror, based on such request, the Offeror carefully considered the Tender Offer Price again. On October 24, 2025, the Offeror made another proposal to the Company and the Special Committee, which set the Tender Offer Price at 2,550 yen (which represents a premium of 14.61% on the closing price of 2,225 yen of the Company's Stock on the Prime Market of the TSE as of October 23, 2025, the business day prior to the day on which this proposal was made; 17.95% on the simple average closing price of 2,162 yen for the previous month

up to the same date; 20.51% on the simple average closing price of 2,116 yen for the previous three months up to the same date; and 34.28% on the simple average closing price of 1,899 yen for the previous six months up to the same date). In response to this, according to the Offeror, on October 27, 2025, the Company requested that the Offeror reconsider the Tender Offer Price, stating that the reproposed Tender Offer Price still was not at the level to which the Company could agree to the Transaction and recommend that its ordinary shareholders tender their shares in the Tender Offer, in light of factors such as the comparison of premium level with other cases similar to the Transaction, fair distribution among the ordinary shareholders of the synergies to be generated by implementing the Transaction, and the price level that reflects the Company's intrinsic value. According to the Offeror, based on such request, the Offeror carefully considered the Tender Offer Price again. On October 28, 2025, the Offeror made another proposal to the Company and the Special Committee, which set the Tender Offer Price at 2,600 yen (which represents a premium of 13.34% on the closing price of 2,294 yen of the Company's Stock on the Prime Market of the TSE as of October 27, 2025, the business day prior to the day on which this proposal was made; 20.31% on the simple average closing price of 2,161 yen for the previous month up to the same date; 22.12% on the simple average closing price of 2,129 yen for the previous three months up to the same date; and 36.13% on the simple average closing price of 1,910 yen for the previous six months up to the same date). As a result, according to the Offeror, on October 29, 2025, the Offeror received a response from the Company to the effect that it accepts the Offeror's proposal, and the Offeror and the Company agreed on the Tender Offer Price of 2,600 yen.

According to the Offeror, after these discussions and negotiations, in addition to the aforementioned agreement on the Tender Offer Price, on October 30, 2025, the Offeror and the Company reached an agreement that the Company becoming a wholly owned subsidiary of the Offeror is the best means to respond to the changing business environment surrounding the Offeror and the Company and to contribute to the improvement of the corporate value of both companies, and the Offeror resolved at its board of directors meeting today to implement the Tender Offer.

(III) Management policy after the Tender Offer

According to the Offeror, to ensure consistent progress in achieving the synergies listed in "B. Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer" above, the Offeror will work to accelerate collaboration between the Offeror Group and the Sumitomo Riko Group, expedite decision-making, and consolidate efforts to further improve the corporate value of the Sumitomo Riko Group. In addition, according to the Offeror, it will engage in comprehensive discussions with the Company's management team regarding the streamlining of management resources and redistribution for overall optimization that aim to improve corporate value. The Offeror noted that at the present time, no decisions have been made concerning the management system/composition of the board of directors at the Company following the Tender

Offer, including the potential dispatch of executives and other personnel matters. According to the Offeror, once the Tender Offer has been completed, discussions will be held between the Offeror and the Company to create an appropriate governance system that respects the Company's individuality and maximizes synergies for the Offeror Group.

(IV) Decision-making process of the Company's board of directors

(i) Background to the establishment of an evaluation framework

The Company received the Written Proposal from the Offeror on July 7, 2025. With respect to the Transaction, the Company appointed Anderson Mori & Tomotsune on July 30, 2025 as its legal advisor independent of the Company and the Offeror Parties, and Daiwa Securities on July 30, 2025 as its financial advisor and third-party valuator independent of the Company and the Offeror Parties. Upon receiving such proposal, considering that the Offeror is the Company's controlling shareholder and that there underlies a possibility where a situation of structural conflict of interest to occur in the process of considering the Transaction, in order to ensure the fairness of the Transaction, based on the advice of Anderson Mori & Tomotsune, the Company immediately started to establish a framework to review, negotiate, and make a decision on the Transaction from a standpoint independent of the Offeror Parties, and from the perspective of enhancing the corporate value of the Company and securing the interests of the Company's ordinary shareholders. Specifically, as stated in "(i) Background of establishment of the committee, etc." under "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below, after proceeding with the preparations for the establishment of a special committee, the Company established a special committee consisting of six members, namely, Mr. Masaaki Iritani (the Company's Independent Director), Mr. Kiyotaka Ise (the Company's Independent Director), Ms. Mariko Miyagi (the Company's Independent Director), Mr. Hakaru Hyakushima (the Company's Independent Audit & Supervisory Board Member), Ms. Tatsuko Koike (the Company's Independent Audit & Supervisory Board Member), and Ms. Reiko Matsuda (the Company's Independent Audit & Supervisory Board Member) (the "Special Committee"), by resolution of the board of directors meeting held on July 30, 2025, immediately after receiving the Written Proposal on July 7, 2025 (for details of the process of consideration and decision by the Special Committee, please see "(ii) Background of consideration" and "(iii) Determinations" under "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below), and the Company consulted with the Special Committee on: (i) whether the purpose of the Transaction is justifiable and reasonable (including whether the Transaction contributes to the enhancement of the Company's corporate value); (ii) whether the fairness and appropriateness of the terms and conditions

of the Transaction (including whether the level of the consideration for the acquisition, the method of the acquisition, the type of consideration for the acquisition, and other terms and conditions of the Transaction are fair) are ensured; (iii) whether procedures to secure the fairness of the terms and conditions of the Transaction have been sufficiently taken; and thereupon, (iv) based on (i) through (iii) above, whether the Transaction is considered fair to the ordinary shareholders of the Company; and (v) whether the Company's board of directors should express an opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer (collectively, the "Consultation Matters"). Furthermore, in establishing the Special Committee, the Company's board of directors has resolved that: (i) the Company's board of directors will make its decisions on the Transaction, including whether to support or oppose to the Transaction, with the utmost respect for the judgments made by the Special Committee; and (ii) if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Company's board of directors will not support the Transaction in such terms and conditions. In addition, the Company's board of directors resolved that the Company will authorize the Special Committee to: (i) appoint its own advisors including financial advisors and legal advisors, as necessary, in reviewing and determining on the Consultation Matters (the reasonable costs associated therewith will be borne by the Company), or approve (including ex-post facto approval) the Company's advisors; (ii) when necessary, receive from the Company's officers and employees and such other persons as the Special Committee deems necessary all information reasonably necessary to review and determine on the Consultation matters; and (iii) when necessary, discuss and negotiate with the Offeror on matters such as the terms and conditions of the Transaction (for the method of resolving at the board of directors meeting, please see "(i) Background of establishment of the committee, etc." under "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer").

As stated in "(ii) Background of consideration" under "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below, on August 6, 2025, based on the authority described above, the Special Committee decided to appoint Plutus Consulting as its own financial advisor and third-party valuator.

In addition, as stated in "(ii) Background of consideration" under "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below, at the Special Committee meeting, the Company has received approval for the appointment of Daiwa Securities, the Company's financial advisor and third-party valuator, and Anderson Mori & Tomotsune, the Company's legal

advisor, after confirming that there are no problems with their independence from the Offeror Parties and the Sumitomo Riko Group as well as their expertise and track record.

Furthermore, as stated in "(VI) Establishment of an independent review system in the Company" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below, the Company has established a system within the Company to deliberate, negotiate, and make decisions on the Transaction (including the scope of officers and employees of the Company who will be involved in deliberations, negotiations, and decisions on the Transaction, and their duties) from a standpoint independent of the Offeror Parties, and has obtained the approval of the Special Committee that there are no problems with such review system from the viewpoint of independence and fairness.

(ii) Background to the review and negotiations

The Company then received from Daiwa Securities a report regarding the share valuation of the Company's Stock, advice regarding the policy for negotiation with the Offeror, and other advice from a financial viewpoint, and received from Anderson Mori & Tomotsune advice on how to ensure the fairness of the procedures in the Transaction and other legal advice. Based on such report and advice, the Company has carefully discussed and considered the merits or demerits of the Transaction and the fairness and appropriateness of the terms and conditions of the Transaction with the utmost respect for the substance of the Special Committee's opinion.

Specifically, following the receipt of the Written Proposal on July 7, 2025, the Company proceeded with the review and discussion at the Special Committee meeting, and on August 13, 2025, asked the Offeror the Questionnaire. On August 22, 2025, the Company received a written response to the Questionnaire from the Offeror. Based on such response, the Company and the Special Committee conducted additional interviews regarding the Questionnaire at the Special Committee meeting held on August 27, 2025, received an explanation from the Offeror regarding such response, and conducted a Q&A session and discussions thereon.

Since September 29, 2025, the Company has conducted several rounds of negotiations with the Offeror regarding the Tender Offer Price. Specifically, on September 29, 2025, the Company received a proposal for the Transaction from the Offeror, which included setting the Tender Offer Price at 2,300 yen (representing a premium of 2.68% over the closing price of the Company's Stock of 2,240 yen on the Prime Market of the TSE on September 26, 2025, which is the business day immediately preceding the proposal date; a premium of 3.42% over the simple average closing price of 2,224 yen for the past one month ending on the said date; a premium of 15.23% over the simple average closing price of 1,996 yen for the past three months ending on the said date; and a premium of 27.78% over the simple average closing price of 1,800 yen for the past six months ending on the said date), on the assumption that no year-end dividend will be paid for the fiscal year ending March 31, 2026, which resulted from comprehensive consideration of the information obtained through the due diligence conducted by the

Offeror on the Company, the initial valuation analysis of the Company's Stock conducted by JPMorgan Securities Japan, the Offeror's financial advisor, on the basis of such information, and the initial valuation analysis of the Company's Stock conducted by the Offeror on the basis of such information. However, on October 1, 2025, the Company requested reconsideration of the Tender Offer Price, claiming that: (i) the Tender Offer Price was below the price level that reflected the intrinsic value of the Company; (ii) it is difficult to consider the terms acceptable from the perspective of ordinary shareholders given the current stock price level; (iii) and it warrants more careful consideration when taking into account premium levels in comparable transactions and recent market trends. Subsequently, on October 7, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,400 yen (representing a premium of 9.24% over the closing price of the Company's Stock of 2,197 yen on the Prime Market of the TSE on October 6, 2025, which is the business day immediately preceding the proposal date; a premium of 7.91% over the simple average closing price of 2,224 yen for the past one month ending on the said date; a premium of 17.42% over the simple average closing price of 2,044 yen for the past three months ending on the said date; and a premium of 31.58% over the simple average closing price of 1,824 yen for the past six months ending on the said date) as a result of careful consideration of the Tender Offer Price. However, on October 8, the Company requested reconsideration of the Tender Offer Price, stating that, in light of the Company's share price trends and the premium levels observed in comparable transactions, the proposed price was far from a level the Company could endorse and still did not, in its view, adequately reflect the intrinsic value of the Company. In response to this request, on October 14, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,480 yen (representing a premium of 17.87% over the closing price of the Company's Stock of 2,104 yen on the Prime Market of the TSE on October 10, 2025, which is the business day immediately preceding the proposal date; a premium of 12.37% over the simple average closing price of 2,207 yen for the past one month ending on the said date; a premium of 19.63% over the simple average closing price of 2,073 yen for the past three months ending on the said date; and a premium of 34.05% over the simple average closing price of 1,850 yen for the past six months ending on the said date) as a result of careful reconsideration of the Tender Offer Price. In response, on October 15, the Company requested reconsideration of the Tender Offer Price, stating, in light of the share valuation currently being conducted by the financial advisor engaged by the Company and the Special Committee, that: (i) the proposed tender offer price does not adequately reflect the intrinsic value of the Company and therefore does not constitute fair and reasonable economic terms for the ordinary shareholders of the Company; (ii) the Company's current share price reflects the market's appropriate assessment of its intrinsic value that incorporates the Company's performance and future growth prospects, including the dissipation of market uncertainty surrounding tariff policies; and (iii) in comparing premium levels with comparable transactions, the Company and the Special Committee have considered not only going-private transactions aimed at making the target a wholly-owned subsidiary but also transactions in circumstances similar to those

of the Transaction, and even against such comparable cases, the proposed tender offer price is still far from a level the Company could endorse. In response to this request, on October 20, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,510 yen (representing a premium of 19.47% over the closing price of the Company's Stock of 2,101 yen on the Prime Market of the TSE on October 17, 2025, which is the business day immediately preceding the proposal date; a premium of 15.56% over the simple average closing price of 2,172 yen for the past one month ending on the said date; a premium of 19.64% over the simple average closing price of 2,098 yen for the past three months ending on the said date; and a premium of 33.80% over the simple average closing price of 1,876 yen for the past six months ending on the said date), on the grounds that the recent rise in the Company's share price may well have been driven by the overall upward movement of the Japanese stock market rather than by changes in the Company's intrinsic value, and that, in such circumstances, it would not be appropriate to assess the premium for the Tender Offer by reference to comparable transactions. In response, on October 22, the Company requested reconsideration of the Tender Offer Price, stating that the re-proposed tender offer price still does not adequately reflect the intrinsic value of the Company and remains insufficient when compared to premium levels in other comparable transactions, and asked that any reconsideration take into account the synergies expected to be realized through the Transaction and incorporate a distribution of those synergies. In response to this request, on October 24, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,550 yen (representing a premium of 14.61% over the closing price of the Company's Stock of 2,225 yen on the Prime Market of the TSE on October 23, 2025, which is the business day immediately preceding the proposal date; a premium of 17.95% over the simple average closing price of 2,162 yen for the past one month ending on the said date; a premium of 20.51% over the simple average closing price of 2,116 yen for the past three months ending on the said date; and a premium of 34.28% over the simple average closing price of 1,899 yen for the past six months ending on the said date). In response, on October 27, after careful deliberation by the Company and the Special Committee, the Company concluded that, taking into account (i) a comparison with premium levels in comparable transactions, (ii) the fair distribution to ordinary shareholders of synergies expected to arise from the Transaction, and (iii) a price level that reflects the Company's intrinsic value, the proposed tender offer price remains insufficient for the Company to endorse the Transaction or to recommend that the Company's ordinary shareholders tender their shares. In particular, although the Offeror's proposal contends that the price represents an adequate premium over the simple average closing price of the Company for the past six-month period, excluding reliance on the recent upward movement in the Company's share price, the Company believes the recent rise in its share price was not driven by the general rise in the stock market, but rather reflects recognition of the Company's fundamental strengths and earnings power. Accordingly, the Company considers that premiums relative not only to the past six-month average but also to the past one-month and three-month average closing prices should be taken into account, and, also considering the expectations of market

participants including the Company's ordinary shareholders regarding the economic terms of the Transaction, has requested reconsideration of the Tender Offer Price. In response to this request, on October 28, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,600 yen (representing a premium of 13.34% over the closing price of the Company's Stock of 2,294 yen on the Prime Market of the TSE on October 27, 2025, which is the business day immediately preceding the proposal date; a premium of 20.31% over the simple average closing price of 2,161 yen for the past one month ending on the said date; a premium of 22.12% over the simple average closing price of 2,129 yen for the past three months ending on the said date; and a premium of 36.13% over the simple average closing price of 1,910 yen for the past six months ending on the said date). As a result, on October 29, 2025, the Company and the Special Committee notified the Offeror that they would accept the Offeror's proposal and reached an agreement to set the Tender Offer Price at 2,600 yen.

In the course of the above review and negotiations, the Company considered the opinions heard from the Special Committee as well as advice from Daiwa Securities and Anderson Mori & Tomotsune in its discussions and negotiations with the Offeror regarding the Tender Offer Price. At that time, the Special Committee received advice from Plutus Consulting, advisors to the Special Committee, as needed, and exchanged opinions with the Company and its advisors, and has given confirmations and approvals, as appropriate. Specifically, to start with, the Special Committee confirmed and approved in advance the reasonableness of the substance, material assumptions, and the process of preparation, etc. of the Company's business plans (the "Business Plan"), which were to be presented by the Company to the Offeror and which would constitute the basis for the share valuation of the Company's Stock by Daiwa Securities and Plutus Consulting. In addition, Daiwa Securities, the Company's financial advisor, has negotiated with the Offeror in accordance with the negotiation policy determined upon deliberation by the Special Committee in advance. Upon receipt of each proposal from the Offeror regarding the Tender Offer Price, Daiwa Securities immediately reported to the Special Committee, and received opinions, instructions, requests, etc. from the Special Committee regarding the policy of negotiation with the Offeror and other matters, and acted in accordance with such opinions, instructions, requests, etc.

On October 29, 2025, the Company received a written report (the "Report") from the Special Committee to the effect that: (i) the Transaction would contribute to an enhancement of the Company's corporate value and that its purpose is legitimate and reasonable; (ii) the fairness and appropriateness of the Transaction terms (including whether the level of the acquisition consideration, the method of acquisition, the form of consideration and other terms of the Transaction are fair) are ensured; (iii) measures to ensure fairness at a level comparable to similar transactions have been implemented in the Transaction, and procedures to ensure the fairness of the Transaction terms have been adequately carried out; (iv) in light of items (i) through (iii), the Transaction is considered fair to the Company's ordinary shareholders; and (v) it is appropriate for the Company's board of directors to express support

for the Tender Offer and to recommend that the Company's shareholders tender their shares (for the outline of the Report, please see "(iii) Determinations" under "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below). In addition to the Report, the Company also received from the Special Committee a share valuation report pertaining to the Company's Stock (the "Share Valuation Report (Plutus Consulting)") and a fairness opinion to the effect that 2,600 yen per share, which is the Tender Offer Price, is fair to the Company's ordinary shareholders from a financial viewpoint (the "Fairness Opinion (Plutus Consulting)"), both of which were submitted to the Special Committee by Plutus Consulting on October 29, 2025 (for the outline of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), please see "(III) Procurement by the Special Committee of a share valuation report and a fairness opinion from an independent third-party valuator" under "(3) Matters concerning valuation" below).

(iii) Determinations

Based on the above background, the Company carefully discussed and evaluated at its board of directors meeting held today whether the Transaction, including the Tender Offer, would contribute to enhancing the Company's corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate and fair, based on legal advice from Anderson Mori & Tomotsune, advice from a financial point of view from Daiwa Securities, the contents of the share valuation report pertaining to the Company's Stock (the "Share Valuation Report (Daiwa Securities)") and the fairness opinion to the effect that 2,600 yen per share, which is the Tender Offer Price, is fair to the shareholders (excluding the Offeror and its affiliates) of the Company's Stock from a financial viewpoint (the "Fairness Opinion (Daiwa Securities)"), which were received from Daiwa Securities on October 29, 2025, and the contents of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) received through the Special Committee while respecting to the maximum extent the Special Committee's determinations presented in the Report. As a result, given the synergies anticipated below, the Company reached the conclusion that taking the Company's Stock private through the Transaction, including the Tender Offer by the Offeror, will contribute to the enhancement of the Company's corporate value.

<Advancement of existing businesses and expansion into new markets through the integration of the technologies and customer bases of the Company and the Offeror Group>

The Company believes that integrating the advanced technologies and intellectual property of the Offeror Group with the Company's polymer materials technology and comprehensive evaluation technology will accelerate the development of next-generation technologies. Consolidating research and development resources is expected to enhance product development speed, establish a system for

rapidly bringing high-quality products to market, and also lead to the creation of new businesses. Furthermore, leveraging the Offeror Group's overseas network will enable responses tailored to regional needs, leading to anticipated expansion of market share and strengthening of the customer base in overseas markets. Through collaboration across business divisions, the Company expects enhanced proposal capabilities for existing customers and the ability to expand products and services to a new customer segment, thereby driving growth in the Company's sales revenue.

Furthermore, from the perspective of competitive advantage, combining the strengths of the Offeror Group and the Company enables the Company to provide integrated technical proposals encompassing material technology, thermal/electrical control technology, and mobility infrastructure design. Specifically, based on the polymer-materials technologies the Company have developed, such as rubber and resins, the Company will optimize characteristics including weight reduction, heat resistance, and vibration damping. By combining these with the thermal and electrical control technologies essential for electrification and autonomous driving (e.g., thermal management, insulation and conductivity control, sensing), the Company will enhance the efficiency and safety of various devices and systems. Furthermore, by applying mobility-infrastructure design technologies to the design of structures and systems that encompass not only vehicles but also social infrastructure, such as roads, bridges, and charging facilities, the Company will be able to offer comprehensive technical proposals. The Company believes that this unique integrated solution, unmatched by competitors, will strengthen the Company's mid-to-long-term proposal capabilities for domestic and international customers and further deepen partnerships in next-generation vehicle development.

<Organizational revitalization through collaboration among individuals with diverse backgrounds and the development of next-generation human resources>

Through personnel exchanges and shared training programs, etc. between the Offeror Group and the Company, the Company believes that the enhancement of expertise and the development of human resources will accelerate, primarily in the technical, sales, and administrative departments, thereby strengthening the organizational capabilities of the entire Group. The Company believes that the Offeror's acquisition of the Company as a wholly-owned subsidiary through the Transaction will enhance the Company's organizational stability. This will not directly impact employee employment or existing business relationships. Rather, the Company believes that integrated management as part of the Offeror Group will expand growth opportunities, contribute to employee career development, and deepen relationships with business partners.

<Improving operational efficiency and optimizing resources through the integration of indirect functions and management foundations>

By leveraging the Offeror Group's expertise in corporate functions, marketing, quality control, etc. to streamline the Company's indirect departments, the Company can achieve optimal allocation of

management resources. Specifically, the Company believes that sharing purchasing information and integrating procurement management within the Offeror Group will reduce raw material and logistics costs while optimizing production and supply systems. Furthermore, integrating IT infrastructure and digital tools will enhance overall operational efficiency from design through production, sales, and customer service, thereby accelerating innovation. The Company also believes that unification of the Offeror Group's group strategy will enhance brand recognition and trust across each business domain, thereby strengthening the Company's competitive position in the market.

Furthermore, due to the tightening of the Corporate Governance Code and the TSE's market restructuring, etc., the systems and operational burdens necessary to maintain the Company's listing have been expanding and increasing year by year. The Company believes that the privatization of the Company by the Offeror will reduce the management and disclosure burden costs associated with maintaining the Company's listing, enabling the Company to concentrate management resources on growth investments and also promising faster decision-making. Consequently, the Company believes that through strategic integration within the Group, the Company's business portfolio will be optimized, enabling the concentrated allocation of management resources to growth areas, thereby achieving sustainable growth.

Please note that, in general, delisting may have: (i) impact on the method of raising funds through equity financing from capital markets, (ii) concerns regarding securing outstanding human resources due to the enhanced social credibility and increased visibility the Company has enjoyed as a listed company, and (iii) potential impact on stakeholders such as shareholders, employees, and business partners. However, regarding (i), while the Company does not currently anticipate the need for equity financing from capital markets, its sound financial foundation to date means this will not impact its ability to raise funds. Even if the need for financing were to arise, financial assistance can be expected from the financially strong Offeror Group. Regarding (ii), it is considered that the impact of delisting, including effects on recruitment activities, can be limited by leveraging the social credibility and funding capabilities, etc. held by the Offeror Group. Regarding (iii), through its business activities to date, the Company have already secured a substantial business foundation, including a certain level of brand power, name recognition, and credibility, etc. Even after going private, as described in "(III) Management policy after the Tender Offer" above, the Offeror intends to accelerate collaboration between the Offeror and the Group to steadily realize synergies, expedite decision-making, and pool all resources to further enhance the Group's corporate value. In addition, regarding matters such as optimizing management resources and reallocating them for overall optimization to enhance corporate value, the Offeror intends to deliberate on these matters in full consultation with the Company's management team. Considering that discussions will be held between the Offeror and the Company after the completion of the Tender Offer, aiming to establish appropriate governance that respects the Company's uniqueness and a structure that maximizes the realization of synergies as part of the Offeror Group, the Company believes that the Company going private through the Transaction will

be acceptable without issue to the Company's shareholders, employees, business partners, and other stakeholders.

The Company has also determined that the Tender Offer Price and other terms and conditions of the Tender Offer are fair, and that the Tender Offer provides the ordinary shareholders of the Company with an opportunity to sell their shares of the Company's Stock at a price with a reasonable premium under reasonable terms and conditions, due to the following reasons:

(A) As described in "(3) Matters concerning valuation" below, in the results of the valuation of the Company's Stock by Daiwa Securities presented in the Share Valuation Report (Daiwa Securities), it exceeds the upper bound of the Company's per-share value range calculated under the market share price method, falls within the ranges of the Company's per-share values calculated under the comparable company method and the discounted cash flow method (the "DCF method"), and is above the median (2,523 yen) of the range derived from the results of the share valuation from the DCF method. Also, the Company obtained from Daiwa Securities the Fairness Opinion (Daiwa Securities) to the effect that 2,600 yen per share, which is the Tender Offer Price, is fair to the Company's shareholders, excluding the Offeror and its affiliates, from a financial viewpoint;

(B) Based on the results of the valuation of the Company's Stock by Plutus Consulting in the Share Valuation Report (Plutus Consulting) as described in "(III) Procurement by the Special Committee of a share valuation report and a fairness opinion from an independent third-party valuator" under "(3) Matters concerning valuation" below, it exceeds the upper bound of the Company's per-share value range calculated under the market share price method, falls within the ranges of the Company's per-share values calculated under the comparable company method and the DCF method, and is above the median (2,563 yen) of the range derived from the results of the share valuation from the DCF method. Also, the Special Committee obtained from Plutus Consulting the Fairness Opinion (Plutus Consulting) to the effect that 2,600 yen per share, which is the Tender Offer Price, is fair to the Company's ordinary shareholders from a financial viewpoint;

(C) The Tender Offer Price of 2,600 yen per share represents a premium of 20.59% over the closing price of the Company's Stock of 2,156 yen on the Prime Market of the TSE on October 29, 2025, which is the reference date for the Tender Offer (in principle, the business day immediately preceding the announcement date); a premium of 20.37% over the simple average closing price of 2,160 yen for the past one month ending on the said date (from September 30, 2025 to October 29, 2025); a premium of 21.55% over the simple average closing price of 2,139 yen for the past three months ending on the said date (from July 30, 2025 to October 29, 2025); and a premium of 35.70% over the simple average closing price of 1,916 yen for the past six months ending on the said date (from April 30, 2025 to October 29, 2025). Compared with 13 reference cases (the "Reference Cases") of tender offers by parent companies aimed at taking listed subsidiaries private that were announced between June 28, 2019 and October 24, 2025 (excluding two-step tender

offers and unsuccessful cases) and whose purchase amounts were at least 100 billion yen, the distribution of premium rates, viewed in 10% increments, is as follows: the premium rates over the simple average closing prices for the one-month, three-month and six-month periods ending on the reference date have a mode of 20%–<30% (five cases for each of the past one-month, three-month and six-month periods), while the premium rate over the closing price on the reference date has a mode of 10%–<20% (four cases). Accordingly, the premium attached to the Tender Offer Price is judged to be at a level equal to or greater than the modal premium rates in the Reference Cases for the reference-date closing price and the one-month and three-month simple average closing prices. In addition, because the mean and median of the premiums over the six-month simple average closing price in the Reference Cases are 30.66% and 28.55%, respectively, and the premium attached to the Tender Offer Price exceeds those figures, the premium attached to the Tender Offer Price can be regarded as at least no less favorable than the premiums in the Reference Cases;

(D) In light of the Company's long-term share-price trend, the price exceeds the Company's historical closing prices since listing and the intraday high of 2,455 yen (the intraday high recorded on September 25, 2007).

(E) Measures to ensure the fairness of the Tender Offer have been taken as described in "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below and the interests of ordinary shareholders have been secured;

(F) After taking the above measures, the Tender Offer Price has been raised from 2,300 yen per share, which was the price initially proposed by the Offeror, through negotiations in good faith with the Offeror with substantial involvement of the Special Committee, which is independent of the Company and the Offeror Parties; and

(G) As described in "(iii) Determinations" under "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below, the fairness and appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, has been determined to be ensured in the Report obtained by the Company from the independent Special Committee.

For the foregoing reasons, the Company, at its board of directors meeting held today, resolved to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

For the method of resolution of the above board of directors meeting, please see "(VII) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested Audit & Supervisory Board Members of the Company that they have no objection" under "(6) Measures to

ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below.

(3) Matters concerning valuation

(I) Procurement by the Offeror of a share valuation report from an independent third-party valuator

According to the Offeror, in determining the Tender Offer Price, the Offeror requested JPMorgan Securities, its financial advisor and a third-party valuator independent of the Offeror and the Company, to calculate the value of the Company's Stock. According to the Offeror, JPMorgan Securities is not a related party of the Offeror or the Company and does not have a material interest in the Transaction, including the Offer.

According to the Offeror, JPMorgan Securities considered multiple share valuation methods and, as a result, selected the average market share price method, the comparable company method, and the DCF method for calculating the value of the Company's Stock. Since there is a market price for the Company's Stock, the average market price analysis was used; although there are no companies that are completely identical, for the purpose of analysis, several listed companies were identified as having business activities similar to those of the Company, making it possible to estimate the value of the Company's Stock using the comparable company method; and in order to reflect the status of the Company's future business activities in the valuation, the DCF method was also used as a valuation method to calculate the value of the Company's Stock. According to the Offeror, the Offeror obtained the share valuation report as of October 30 (the "Offeror Valuation Report") from JPMorgan Securities. Further, according to the Offeror, since the Offeror assessed and determined the Tender Offer Price through discussions and negotiations with the Company after comprehensively taking into account the factors described in "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below, the Offeror has not obtained an opinion on the fairness of the Tender Offer Price (a fairness opinion) from JPMorgan Securities.

According to the Offeror Valuation Report, the applied methods and the range of the per share value of the Company's Stock calculated using those methods are as described below.

Average market share price method:	1,916 yen to 2,160 yen
Comparable company method:	1,604 yen to 2,257 yen
DCF method:	2,222 yen to 3,627 yen

According to the Offeror, under the average market share price method, JPMorgan Securities set the reference date as October 29, 2025, based on publicly available information, and assessed the range of the per share value of the Company's Stock to be 1,916 yen to 2,160 yen, based on the closing price of 2,156 yen on the Prime Market of the TSE on the reference date, the simple average closing

price for the previous one month up to the same date of 2,160 yen, the simple average closing price for the previous three months up to the same date of 2,139 yen, and the simple average closing price for the previous six months up to the same date of 1,916 yen.

According to the Offeror, for the comparable company method, JPMorgan Securities selected the most appropriate comparable companies as of October 29, 2025, based on the judgment that there were no companies with business activities and scale completely identical to the Company, and analyzed the range of the per share value of the Company's Stock to be 1,604 yen to 2,257 yen through comparison with the market prices, growth rates, and financial statements indicating profitability, etc., of the selected comparable companies.

According to the Offeror, under the DCF method, based on the business plan and financial forecast for the fiscal year ended March 2025 to the fiscal year ending March 2030 which the Offeror created based on the Business Plan and provided to JPMorgan Securities and the results of interviews with the Offeror and the Company and of due diligence procedures, as well as other various factors, including publicly available information, JPMorgan Securities assessed the range of the per share value of the Company's Stock to be 2,222 yen to 3,627 yen through a share value calculation that discounted to the present value using a discount rate for a certain range of the free cash flows expected to be generated by the Company in and after December 2025.

According to the Offeror, the Company's business plan and financial forecast for the fiscal year ended March 2025 to the fiscal year ending March 2030, which JPMorgan Securities used for the DCF method, did not include a substantial increase or decrease in profit and free cash flow. According to the Offeror, the Company's future financial forecasts relied on under the DCF method did not assume that the Transactions would be implemented and the synergy effects. According to the Offeror, a supplementary explanation of the Offeror Valuation Report and the underlying preconditions for calculating the value of the Company's Stock, the matters considered, and the consideration limitations are as described in (Note 21).

According to the Offeror, based on the calculation details and results described in the Offeror Valuation Report obtained from JPMorgan Securities, on October 30, the Offeror has decided to set the Tender Offer Price as 2,600 yen per share, which exceeds the upper limit of the valuation range based on the average market share price method and the comparable company method and is the range of DCF method, by comprehensively taking into account, among others, the results of due diligence conducted on the Company from early August 2025 to early September 2025, whether the Company's board of directors was in support of the Tender Offer, trends in the market prices of the Company's Stock, and the prospect of shareholders tendering in the Tender Offer, as well as through discussions and negotiations with the Company.

According to the Offeror, the Tender Offer Price of 2,600 yen per share is an amount that includes the following premiums: a premium of 20.59% over the closing price of the Company's Stock on the Prime Market of the TSE of 2,156 yen as of October 29, 2025, the business day immediately

preceding the announcement date of the Tender Offer; a premium of 20.37% over the simple average closing price of 2,160 yen for the previous one month period until that date; a premium of 21.55% over the simple average closing price of 2,139 yen for the previous three-month period until that date; and a premium of 35.70% over the simple average closing price of 1,916 yen for the previous six-month period until that date.

(Note 21) According to the Offeror, in conducting the valuation of the share price of the Company's Stock, which is the basis for the Offeror Valuation Report, JPMorgan Securities has relied upon and assumed the accuracy and completeness of all information that was publicly available information or furnished to or discussed with JPMorgan Securities by the Offeror or the Company, or otherwise reviewed by or for JPMorgan Securities, and JPMorgan Securities has not independently verified (nor has it assumed responsibility or liability for independently verifying) the accuracy or completeness of such information. According to the Offeror, JPMorgan Securities has not conducted or been provided with any valuation or appraisal of any assets or liabilities of the Offeror or the Company, nor has it provided such an evaluation or appraisal; nor has not evaluated the solvency of the Offeror or the Company under any applicable laws relating to bankruptcy, insolvency, or similar matters. According to the Offeror, in relying on financial analyses or forecasts provided to JPMorgan Securities by the Offeror and the Company or derived therefrom, JPMorgan Securities has assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgements by management of the Offeror and of the Company, as of the date of the Offeror Valuation Report, as to the expected future results of operations and financial condition of the Offeror and the Company to which such analyses or forecasts relate. According to the Offeror, JPMorgan Securities expresses no view as to any such analyses or forecasts or the assumptions on which they were based. According to the Offeror, JPMorgan Securities has also assumed that the Tender Offer and other transactions contemplated by the Offeror would be consummated as contemplated, and will have all of the effects described in the related materials furnished to JPMorgan Securities by the Offeror. According to the Offeror, JPMorgan Securities is not an expert in legal, regulatory, tax, accounting, or other matters, and has relied on the assessments made by advisors to the Offeror with respect to such matters. According to the Offeror, JPMorgan Securities further assumes that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be obtained without any adverse effect on the Offeror or the Company or on the contemplated benefits of the Offer. According to the Offeror, the Offeror Valuation Report, and the results of the valuation of the share price of the Company's Stock that was the basis of such report, are necessarily based on

the information available to JPMorgan Securities as of the date of such report and the economic, market and other conditions in effect as of such date. According to the Offeror, it should be understood that subsequent developments may affect the Offeror Valuation Report, and the results of the valuation of the share price of the Company's Stock that was the basis of such report, and that JPMorgan Securities does not have any obligation to update, revise or reaffirm its analyses and valuation. Furthermore, the Offeror Valuation Report, and the results of the valuation of the share price of the Company's Stock that was the basis of such report, do not, according to the Offeror, recommend a specific purchase price to the Offeror or its board of directors, nor recommend that a specific purchase price is the sole appropriate purchase price. According to the Offeror, JPMorgan Securities has acted as the financial advisor to the Offeror with respect to the Tender Offer and will receive a fee from the Offeror for the services as such financial advisor, a certain portion of which will become payable only if the Tender Offer is consummated. In addition, according to the Offeror, the Offeror has agreed to indemnify JPMorgan Securities for certain liabilities that may arise from such services. According to the Offeror, during the two year preceding the date of the Offeror Valuation Report, JPMorgan Securities and its affiliates have provided financial advisory, commercial banking, or investment banking services to the Offeror and have received ordinary compensation for such services, and may continue to provide such services and receive ordinary compensation in the future. According to the Offeror, during this period, JPMorgan Securities and its affiliates have not provided any material financial advisory, commercial banking service, or investment banking services to the Company. In addition, according to the Offeror, JPMorgan Securities and its affiliates hold, on a proprietary basis, less than 1% of the outstanding shares of the Offeror and the Company. According to the Offeror, in the ordinary course of their business, JPMorgan Securities and its affiliates may actively trade the debt and equity securities issued by the Offeror and the Company for its own account or for the accounts of their customers and, accordingly, JPMorgan Securities and its affiliates may at any time hold long or short positions in such securities. According to the Offeror, the Company's financial forecast on which JPMorgan Securities based its analysis of the value of the Company's Stock (the “Financial Forecasts”) was created by the Offeror based on the Business Plan and provided to JPMorgan Securities. According to the Offeror, the Offeror has not released the Financial Forecast to the public, and it was not prepared for the purpose of being made available to the public. According to the Offeror, the Financial Forecast is inherently uncertain and relies on many variables and preconditions that cannot be managed or controlled by management of the Offeror or of the Company (including but not limited to the general economy, competitive conditions, and factors relating to current interest rates). Therefore, according to the Offeror, the

Company's actual performance may be significantly different from the Financial Forecast. According to the Offeror, the above calculation results of the valuation of the share price of the Company's Stock, on which the Offeror Valuation Report is based, and the descriptions of the outlined calculation methods do not include all of the analyses performed by JPMorgan Securities or the reference data. According to the Offeror, since the Offeror Valuation Report was prepared through a complicated process, a part of the analysis results or the summarized descriptions do not necessarily represent all of the content of the analysis accurately. According to the Offeror, the results of JPMorgan Securities' analysis should be considered as a whole, and if only a part of the analysis results or their summaries is referenced instead of considering the analysis results as a whole, the process on which JPMorgan Securities' analysis was based may not necessarily be understood accurately. According to the Offeror, JPMorgan Securities performed the analysis by comprehensively taking into consideration the respective analyses and factors as a whole without putting a particular emphasis on a specific analysis or factor. In addition, according to the Offeror, JPMorgan Securities neither asserts that each of the analyses or factors it considered individually contributes to JPMorgan Securities' analysis nor expresses an opinion on how much any such analyses or factors may contribute. Additionally, according to the Offeror, the companies selected for comparison in the analysis were chosen by JPMorgan Securities for the purpose of the analysis because they are publicly traded companies (in some cases) engaged in businesses considered to be similar to that of the Company. However, according to the Offeror, those companies are not identical to the Company's business segment or subsidiaries. Therefore, according to the Offeror, the analysis by JPMorgan Securities necessarily involves complex considerations and judgments regarding differences in the financial and business characteristics of the companies selected for comparison with the Company, as well as other factors that might affect those companies.

(II) Procurement by the Company of a share valuation report and a fairness opinion from an independent third-party valuator

(i) Name of the valuator and its relationship with the Company and the Offeror

In expressing its opinion on the Tender Offer, the Company requested its financial advisor, Daiwa Securities, in its capacity as a third-party valuator independent of the Offeror Parties and the Sumitomo Riko Group, to calculate the value of the Company's Stock and to provide an opinion statement on the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, from a financial viewpoint for the Company's ordinary shareholders, and received the Share Valuation Report (Daiwa Securities) and the Fairness Opinion (Daiwa Securities) on October 29, 2025.

Daiwa Securities is not a related party of the Offeror Parties or the Sumitomo Riko Group and has

no material interest in the Tender Offer that should be disclosed. Although the fees payable to Daiwa Securities in relation to the Transaction include a performance fee, which is payable subject to the successful completion of the Transaction and other conditions, the Company has appointed Daiwa Securities as its financial advisor and third-party valuator under above fee structure, taking into account the general practice in similar transactions.

(ii) Overview of valuation regarding the Company's Stock

After examining the valuation method to be adopted in the share valuation of the Company's Stock from among several valuation methods, based on the premise that the Company is a going concern and the belief that the value of the Company's Stock should be evaluated from multiple perspectives, Daiwa Securities used the following methods to analyze and calculate the value per share of the Company's Stock: the average market share price method, in order to take the trends of the Company's share price in the market into account; the comparable company method, as there are several listed companies comparable with the Company and it is possible to analogize the share value of the Company's Stock by comparing to that of similar listed companies; and the DCF method to reflect the details and forecast of the Company's business performance in the valuation, and the Company received the Share Valuation Report (Daiwa Securities) from Daiwa Securities on October 29, 2025.

The range of the value per share of the Company's Stock calculated under each of the above methods is as follows:

Average market share price method:	From 1,916 yen to 2,160 yen
Comparable company method:	From 1,768 yen to 3,672 yen
DCF method:	From 2,040 yen to 3,005 yen

The Business Plan that Daiwa Securities used as the basis for valuing the Company's Stock was developed by a team consisting of Mr. Hideo Yamane, the Company's directors and employees who have no material interest in the Offeror, with the purpose of examining the appropriateness of the terms and conditions of the Transaction, and was subsequently reviewed and approved by the Special Committee. The Business Plan covers five fiscal years, from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030, a time span the Company currently deems reasonably foreseeable for forecasting purpose based on the automobile production schedules of each major customer. In developing the Business Plan, the Company has assumed that, despite the effect of high U.S. tariffs, part of the impact can be offset by passing costs on to its automaker customers, and that profitability will be secured through electrification-related new product development, targeted cost reductions and tighter expense management. Any synergies expected to be realized through the implementation of the Transaction are not reflected in the Business Plan, as it is difficult to specifically estimate at this stage. The Business Plan does not significantly deviate from the consolidated financial

forecast for the fiscal year ending March 31, 2026, announced by the Company on July 30, 2025.

Under the average market share price method, with October 29, 2025 being set as the reference date, the value per share of the Company's Stock is calculated to range from 1,916 yen to 2,160 yen based on the closing price of the Company's Stock on the Prime Market of the TSE as of the reference date of 2,156 yen; the simple average closing price for the past one month (from September 30, 2025 to October 29, 2025) of 2,160 yen; the simple average closing price for the past three months (from July 30, 2025 to October 29, 2025) of 2,139 yen; and the simple average closing price for the past six months (from April 30, 2025 to October 29, 2025) of 1,916 yen.

Under the comparable company method, the value per share of the Company's Stock is calculated to range from 1,768 yen to 3,672 yen, with Toyoda Gosei Co., Ltd., NOK Corporation, Eagle Industry Co., Ltd., Nishikawa Rubber Co., Ltd., and Fukoku Co., Ltd. being selected as listed companies that are deemed similar to the Company, and the value of the Company's Stock being calculated using the ratio of the corporate value to EBITDA.

Under the DCF method, based on the Business Plan and under various assumptions including the revenue forecast and investment plans in the Business Plan, the Company's financial information for the first quarter of the fiscal year ending March 31, 2026, as well as publicly disclosed information, etc., the corporate value and share value of the Company were analyzed by discounting the free cash flow expected to be generated by the Company from and including the second quarter of the fiscal year ending March 31, 2026 back to the present value using a certain discount rate, and the value per share of the Company's Stock is calculated to range from 2,040 yen to 3,005 yen. The discount rate was determined using the weighted average cost of capital and set at 8.5% to 9.5%. This rate was calculated to include a size-risk premium by factoring in the Company's size. In calculating the going concern value, Daiwa Securities adopted both the multiples model and the constant growth model. Under the multiples model, selecting the same comparable companies as in the comparable company method, the corporate value-to-EBITDA multiple of 4.0x to 5.5x was applied, resulting in a going concern value of 327.5 billion yen to 450.3 billion yen. Under the constant growth model, taking into account domestic and international inflation rates and the growth rate of the industry in which the Company operates, the perpetual growth rate of 0.0% to 2.0% was assumed, resulting in a going concern value of 323.7 billion yen to 433.1 billion yen. Additionally, as assets of material significance, cash and deposits have been included in the valuation of share value after deducting the amount of cash and deposits for business operations, which was estimated based on a comprehensive assessment of the Company's past cash-flow performance and related factors.

The specific figures in the Company's financial forecast, as the basis of its valuation under the DCF method, are as follows. The financial forecast of the Company does not include any fiscal years in which a significant increase or decrease in profits is expected.

(million yen)

	Fiscal year ending March 31, 2026 (nine months)	Fiscal year ending March 31, 2027	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net sales	465,217	638,065	656,726	670,449	700,006
Operating profit	27,867	40,166	41,392	41,763	43,934
EBITDA	53,821	76,011	77,550	78,918	81,876
Free cash flow	22,312	23,358	23,830	24,862	24,241

(iii) Overview of the Fairness Opinion (Daiwa Securities)

The Company received the Fairness Opinion (Daiwa Securities) from Daiwa Securities on October 29, 2025, stating that 2,600 yen per share, which is the Tender Offer Price, is fair to the Company's shareholders, excluding the Offeror and its affiliates, from a financial viewpoint (Note 22). The Fairness Opinion (Daiwa Securities) was prepared after analysis and review of financial information, including business forecasts, and a Q&A session with the Special Committee, followed by review of the result of the share valuation of the Company's Stock conducted by Daiwa Securities. In addition, Q&A sessions were held with the Company and the Special Committee regarding the background and circumstances leading to the Company's opinion in favor of the Tender Offer, and approval for the preparation and submission of the fairness opinion was obtained at a fairness opinion approval meeting of Daiwa Securities.

(Note 22) In expressing its opinions, as contained in the Fairness Opinion (Daiwa Securities), Daiwa Securities has assumed that all materials and information subject to its analysis and review are accurate and complete, and has not conducted, nor is it obligated to conduct, any independent verification of the accuracy or completeness of such materials and information. In expressing its opinions, as contained in the Fairness Opinion (Daiwa Securities), Daiwa Securities has assumed that no events affecting the corporate value of the Company that have not been disclosed to Daiwa Securities have occurred to the Company as of the date of expressing its opinion in the Fairness Opinion (Daiwa Securities). Daiwa Securities has not conducted any independent valuation, appraisal or assessment of any assets or liabilities (including, but not limited to, derivative financial instruments, off-balance sheet assets and liabilities and other contingent liabilities) of the Company or any of its affiliates, including any analysis and evaluation of individual assets and liabilities, nor has it requested any third-party to conduct any such valuation, appraisal or assessment. Daiwa Securities has not made any evaluation of the solvency or

creditworthiness of the Company or its affiliates under any applicable laws and regulations relating to bankruptcy, insolvency or similar matters. Daiwa Securities has not conducted, nor is it obligated to conduct, any on-site inspection of any property or equipment of the Company or its affiliates.

In expressing its opinions, as contained in the Fairness Opinion (Daiwa Securities), Daiwa Securities has assumed that the Business Plan, financial forecasts and other forward-looking information provided to Daiwa Securities have been reasonably prepared based on the best possible forecasts and judgments of the Company's management as of the current date, and with the consent of the Company, Daiwa Securities has relied on such information without any independent verification. Daiwa Securities has assumed that since the date of preparation or provision of the Business Plan, financial forecasts and other forward-looking information provided to Daiwa Securities, there have been no changes in circumstances that would have a material impact on the Company's assets, financial position, business or future forecasts. In expressing its opinions, as contained in the Fairness Opinion (Daiwa Securities), and conducting the analysis on which such opinions have been based, Daiwa Securities has relied on various assumptions with respect to industry conditions, general business and economic conditions and other matters, many of which are beyond the control of the Company and the Offeror. All forecasts included in Daiwa Securities' such analysis are not necessarily indicative of future results or actual values, and such results or values may be either significantly better or worse than those suggested by the forecasts.

Daiwa Securities has also assumed that all consents or permits from the government, regulatory authorities and other parties that are required for the execution of the Tender Offer will be obtained without adversely affecting the expected benefits of the Tender Offer. Daiwa Securities has not been requested by the Company to review, nor has it reviewed, the Company's decision to execute the Tender Offer or the comparative evaluation of the Tender Offer with other strategic options. Daiwa Securities is not a legal, accounting or tax expert, and has not conducted, nor is it obligated to conduct, any independent analysis and review of the legality and validity of any matters relating to the Tender Offer as well as the appropriateness of the accounting and tax treatment.

Daiwa Securities will receive fees as compensation for providing advisory services in relation to the Tender Offer (the "Advisory Services") in addition to the fees it has already received. The Company has agreed to indemnify Daiwa Securities against certain liabilities that may arise in relation to the Advisory Services.

Daiwa Securities and its affiliates provide, or may provide in the future, investment and financial services, including securities-related services, to the Company and its affiliates for a fee. In addition, Daiwa Securities and its affiliates may trade or own financial instruments, including securities and derivative financial instruments, of the Company and its affiliates for their own or their customers' account.

The Fairness Opinion (Daiwa Securities) has been prepared solely for the purpose of serving as reference information for the Company's board of directors to consider the Tender Offer Price. Daiwa Securities has no intention of recommending a particular purchase price to the Company or the Company's board of directors and has no intention of recommending that any particular purchase price is the only appropriate purchase price. In addition, the Company may not disclose, communicate or allow a third party to refer to the Fairness Opinion (Daiwa Securities) without a prior written consent of Daiwa Securities. The opinions contained in the Fairness Opinion (Daiwa Securities) are not addressed to any third party other than the Company's board of directors, and any such third party may not rely or depend on them for any purpose. Furthermore, the opinions of Daiwa Securities contained in the Fairness Opinion (Daiwa Securities) do not constitute any recommendation or solicitation to the ordinary shareholders of the Company for the exercise of their shareholder rights, such as voting rights, for the transfer or acquisition of the Company's Stock or for any other related matters, in relation to the Tender Offer.

In the Fairness Opinion (Daiwa Securities), Daiwa Securities merely expresses opinions on whether or not the Tender Offer Price is fair to the Company's ordinary shareholders, excluding the Offeror and its affiliates, from a financial viewpoint, and Daiwa Securities is not required to express nor has it expressed opinions on whether or not the Tender Offer Price is fair to a third party other than the Company's ordinary shareholders, excluding the Offeror and its affiliates, or on other matters. In the Fairness Opinion (Daiwa Securities), Daiwa Securities does not express opinions on each of the premises or assumptions used as the basis for determining the Tender Office Price, or the Company's decision-making process for the Tender Offer. In addition, in the Fairness Opinion (Daiwa Securities), Daiwa Securities does not express any opinions on the price of the Company's Stock that are traded on or after the date thereof.

With respect to the Tender Offer Price, Daiwa Securities does not express opinions on whether or not the amount or nature of any fees to be received by any officer, director or employee, or any equivalent thereto involved in the Tender Offer is fair.

In preparing the Fairness Opinion (Daiwa Securities), Daiwa Securities has not been authorized by the Company or the board of directors of the Company to cause a third party other than the Offeror to show interest in acquiring all or part of the Company and to solicit such third party to so acquire, nor has it conducted such solicitation in the past.

The opinions of Daiwa Securities set forth in the Fairness Opinion (Daiwa Securities) are on the premise of the financial, economic, market and other conditions as of the date thereof, and rely on the information available to Daiwa Securities up to the date thereof. In addition, although the opinions of Daiwa Securities set forth in the Fairness Opinion (Daiwa Securities) may be affected due to changes in the conditions hereafter, Daiwa Securities is not obligated to update, amend or reaffirm its opinions.

(III) Procurement by the special committee of a share valuation report and a fairness opinion from

an independent third-party valuator

(i) Name of the valuator and its relationship with the Company and the Offeror

In considering the Consultation Matters, in order to ensure the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, the Special Committee requested Plutus Consulting, a financial advisor and third-party valuator independent of the Offeror Parties and the Sumitomo Riko Group, to calculate the share value of the Company's Stock, and to express opinions on the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, to the Company's ordinary shareholders from a financial viewpoint, and received the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) on October 29, 2025.

Plutus Consulting is not a member of the Offeror Parties or the Sumitomo Riko Group and has no material interest in the Transaction, including the Tender Offer, that should be disclosed. In addition, the fees payable to Plutus Consulting in connection with the Transaction consists solely of a fixed fee to be paid regardless of the success or failure of the Transaction, and does not include a performance fee, which is payable subject to the successful completion of the Transaction, including the Tender Offer, and other conditions.

(ii) Overview of valuation regarding the Company's Stock

After examining the valuation method to be adopted in the share valuation of the Company's Stock from among several valuation methods, based on the premise that the Company is a going concern and the belief that the value of the Company's Stock should be evaluated from multiple perspectives, Plutus Consulting used the following methods to analyze and calculate the value per share of the Company's Stock: the average market share price method, in order to take the trends of the Company's share price in the market into account; the comparable company method, as there are several comparable listed companies similar to the Company and it is possible to analogize the share value of the Company's Stock by comparing to that of similar listed companies; and the DCF method to reflect the details and forecast of the Company's business performance in the valuation, and the Special Committee received the Share Valuation Report (Plutus Consulting) from Plutus Consulting on October 29, 2025.

The range of the value per share of the Company's Stock calculated under each of the above methods is as follows:

Average market share price method:	From 1,916 yen to 2,160 yen
Comparable company method:	From 2,411 yen to 3,689 yen
DCF method:	From 2,326 yen to 2,800 yen

Under the average market share price method, with October 29, 2025 being set as the reference date,

the value per share of the Company's Stock is calculated to range from 1,916 yen to 2,160 yen based on the closing price of the Company's Stock on the Prime Market of the TSE as of the reference date of 2,156 yen; the simple average closing price for the past one month (from September 30, 2025 to October 29, 2025) of 2,160 yen; the simple average closing price for the past three months (from July 30, 2025 to October 29, 2025) of 2,139 yen; and the simple average closing price for the past six months (from April 30, 2025 to October 29, 2025) of 1,916 yen.

Under the comparable company method, the value per share of the Company's Stock is calculated to range from 2,411 yen to 3,689 yen, with Toyoda Gosei Co., Ltd., NOK CORPORATION, Toyo Tire Corporation, Nitta Corporation, FUKOKU Co., Ltd., The Yokohama Rubber Co., Ltd., and NICHIRIN CO., LTD. being selected as a listed company that is deemed similar to the Company, and the value of the Company's Stock being calculated using the ratio of EBITDA to the corporate value.

Under the DCF method, based on the Business Plan and under various assumptions including the revenue forecast and investment plans in the Business Plan, as well as publicly disclosed information, etc, the corporate value and share value of the Company were analyzed by discounting the free cash flow expected to be generated by the Company from and including the second quarter of the fiscal year ending March 31, 2026 back to the present value using a certain discount rate, and the value per share of the Company's Stock is calculated to range from 2,326 yen to 2,800 yen. The discount rate was determined using the weighted average cost of capital and set at 9.4% to 11.1%, and in calculating the going concern value, the perpetual growth rate method was adopted, and the perpetual growth rate was set at 0% taking into account the long-term economic environment, etc. that may be theoretically anticipated, with the going concern value calculated to range from 284.4 billion yen to 334.2 billion yen.

In addition, cash and deposits held by the Company are added as non-operational assets, and non-current assets held for sale, investments in subsidiaries and affiliates and investment securities are added as well.

The consolidated financial forecast based on the Business Plan, which was used by Plutus Consulting as the basis of its valuation under the DCF method, is as follows. The Business Plan does not include any fiscal year in which a significant increase or decrease in profits is expected or any fiscal year in which a significant increase or decrease in free cash flow is expected. Since the synergies expected to be realized through the implementation of the Transaction were difficult to specifically estimate at this stage, such synergies are not taken into account in the above valuation.

(million yen)

	Fiscal year ending March 31, 2026 (nine months)	Fiscal year ending March 31, 2027	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net sales	465,217	638,065	656,726	670,449	700,006

Operating profit	27,867	40,166	41,392	41,763	43,934
EBITDA	53,821	76,011	77,550	78,918	81,876
Free cash flow	21,806	25,563	26,085	26,705	27,404

(iii) Overview of the Fairness Opinion (Plutus Consulting)

The Special Committee received from Plutus Consulting the Fairness Opinion (Plutus Consulting) dated October 29, 2025, wherein Plutus Consulting finds the Tender Offer Price of 2,600 yen per share to be fair to the Company's ordinary shareholders from a financial viewpoint (Note 23). Plutus Consulting expresses its opinion that the Tender Offer Price of 2,600 yen per share is fair to the Company's ordinary shareholders from a financial viewpoint, in light of such matters as the result of the share valuation of the Company's Stock based on the Business Plan.

The Fairness Opinion (Plutus Consulting) has been issued based on the current status, business outlook, etc. of the Sumitomo Riko Group disclosed by the Company to Plutus Consulting and the result of the share valuation of the Company's Stock conducted by Plutus Consulting after receiving an explanation thereof, as well as through Q&A sessions with the Company regarding the overview, background and purposes of the Tender Offer, consideration of the Sumitomo Riko Group's business environment, economical, market and financial conditions, etc. within the extent deemed necessary by Plutus Consulting and review procedures by a review board independent from Plutus Consulting's engagement team.

(Note 23) In preparing and submitting the Fairness Opinion (Plutus Consulting), and calculating the share value used as the basis therefor, Plutus Consulting has relied on the information and basic materials provided by or discussed with the Company, and materials available to the general public on the premise that they are correct and complete, and that there are no facts likely to materially affect the analysis and/or calculation of the share value of the Company's Stock that have not been disclosed to Plutus Consulting. Plutus Consulting has not conducted and is not obligated to conduct any independent examination and/or verification thereof.

Plutus Consulting assumed that the Company's business outlook and other materials used as the basic materials for the Fairness Opinion (Plutus Consulting) had been prepared in a reasonable manner by the management of Company based on the best forecast and judgment available at the time of the valuation, and Plutus Consulting does not guarantee the feasibility of the Tender Offer, and does not express any views on the analysis or forecast used as the basis for the preparation of such business outlook and other materials, or the assumptions on which such business outlook and other materials have been prepared.

Plutus Consulting also did not conduct any independent valuation or assessment of the assets and liabilities of the Company and its affiliates (including off-balance sheet assets

and liabilities and other contingent liabilities) (including separate analysis and valuation of assets and liabilities) nor did it receive any written valuation or appraisal with respect thereto. Therefore, Plutus Consulting has not conducted any valuation of the insolvency of the Company and its affiliates, either.

Plutus Consulting is not an organization specialized in law, accounting or tax. Therefore, Plutus Consulting does not express nor is it obligated to express any views on legal, accounting or tax issues of the Tender Offer.

The Fairness Opinion (Plutus Consulting) expresses opinions on the fairness of the Tender Offer Price from a financial viewpoint so as to enable the Special Committee to consider the same in providing its report on the Consultation Matters. Therefore, the Fairness Opinion (Plutus Consulting) does not express any opinions on the merits and demerits of the Tender Offer when compared with a transaction that may serve as an alternative option for the Tender Offer, the benefits of implementing the Tender Offer and the pros and cons of implementing the Tender Offer.

The Fairness Opinion (Plutus Consulting) expresses opinions as of the date thereof on whether or not the Tender Offer Price is fair to the Company's ordinary shareholders from a financial viewpoint, on the premise of the financial and capital market, economic conditions and other situations as of the date thereof, and based on the information obtained by Plutus Consulting up to the date thereof. Although the details of the Fairness Opinion (Plutus Consulting) may be affected due to changes in the conditions thereafter, Plutus Consulting is not obligated to amend, alter or supplement the details of the Fairness Opinion (Plutus Consulting) even in such case. In addition, the Fairness Opinion (Plutus Consulting) does not infer or suggest any opinion other than the matters set forth explicitly therein or with respect to matters from and after the date thereof.

Plutus Consulting does not nor is it authorized to solicit investments, etc. in the Company. The Fairness Opinion (Plutus Consulting) merely expresses its opinion that the Tender Offer Price is not disadvantageous but fair to the Company's ordinary shareholders from a financial viewpoint. The Fairness Opinion (Plutus Consulting) does not express opinions on the pros and cons of implementing the Tender Offer nor does it express opinions on or recommend the tender or other actions with respect to the Tender Offer. The Fairness Opinion (Plutus Consulting) does not express any opinions to the holders, creditors or other interested parties of the securities issued by the Company. Therefore, Plutus Consulting does not assume any responsibility to the shareholders and any third party who have relied on the Fairness Opinion (Plutus Consulting).

In addition, the Fairness Opinion (Plutus Consulting) has been provided by Plutus Consulting for the purpose of using the same as basic materials for the decisions to be made by the Company's board of directors and the Special Committee with respect to the

Tender Offer Price, and no other person may rely thereon.

(4) Possibility of delisting and reason therefor

As of today, the shares of the Company's Stock are listed on the Prime Market of the TSE and the Premium Market of the NSE. However, since the Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the outcome of the Tender Offer, the shares of the Company's Stock may be delisted through specified procedures in accordance with the delisting standards of the TSE and NSE. Even if such standards are not met at the time of the successful completion of the Tender Offer, if it is decided to carry out the Squeeze-out Process described in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" below after the successful completion of the Tender Offer, this will fall under the delisting standards, and the shares of the Company's Stock will be delisted through specified procedures. After the delisting, the shares of the Company's Stock may not be traded on the Prime Market of the TSE or the Premium Market of the NSE.

(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")

According to the Offeror, as stated in "(I) Outline of the Tender Offer" of "(2) Grounds and reasons for the opinion" above, it is the Offeror's policy to make the Company its wholly owned subsidiary, and if the Offeror is unable to acquire all the shares of the Company's Stock (excluding the Company's Stock directly owned by the Offeror, treasury shares owned by the Company, and Shares Owned by Wholly Owned Subsidiaries) through the Tender Offer, then after the Tender Offer is completed, the Offeror plans to carry out procedures using the methods listed below to acquire all the Company's Stock, (excluding the Company's Stock directly owned by the Offeror and treasury shares owned by the Company; as described in "(I) Outline of the Tender Offer" of "(2) Grounds and reasons for the opinion" above, depending on the measures to be taken for the Shares Owned by Wholly Owned Subsidiaries, all or some of the Shares Owned by Wholly Owned Subsidiaries may be included).

(I) Demand for share cash-out

According to the Offeror, if, upon completion of the Tender Offer, the Offeror and Wholly Owned Subsidiaries hold a total of 90% or more of the collective voting rights of all Company shareholders and becomes a "special controlling shareholder" as prescribed in Article 179, paragraph (1) of the Companies Act, then soon after the Tender Offer is settled, the Offeror plans to demand that all shareholders of the Company who did not tender to the Tender Offer (excluding the Offeror and the Company) (the "Shareholders Subject to Cash-Out") sell all shares in the Company that they own pursuant to the provisions of Part 2, Chapter 2, Section 4-2 of the Companies Act (the "Demand for Cash-Out"). According to the Offeror, in the Demand for Cash-Out, the Offeror plans to offer Shareholders Subject to Cash-Out an amount of money equivalent to the Tender Offer Price as the

price per share for their Company's Stock. According to the Offeror, in this case, the Offeror will notify the Company of its intention to do so, and seek the Company's approval for the Demand for Cash-Out. According to the Offeror, if the Company, through a resolution of its board of directors, approves the Demand for Cash-Out, the Offeror will, in accordance with the procedures set forth in relevant laws and regulations and without the need to obtain the approval of the Shareholders Subject to Cash-Out, obtain all the shares of the Company's Stock owned by all Shareholders Subject to Cash-Out, on the acquisition date specified in the Demand for Cash-Out. Furthermore, according to the Offeror, the Offeror will offer the same amount of money per share of the Company's Stock as that of the Tender Offer Price in compensation for the shares owned by the Shareholders Subject to Cash-Out.

If the Company receives notification from the Offeror of its intention to make a Demand for Share Cash-out and the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act, the Company intends to approve such Demand for Share Cash-out at the Company's board of directors meeting.

As the procedures under the Companies Act to protect the rights of ordinary shareholders in connection with the above procedures, if the Demand for Share Cash-out is made, a Shareholder Subject to Demand for Share Cash-out may file a petition for a court to determine the sale price of the shares of the Company's Stock held by the shareholder in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations. If such a petition is filed, the sale price of the shares of the Company's Stock will be finally determined by the court.

(II) Share Consolidation

On the other hand, according to the Offeror, if the total number of voting rights of the Company's Stock owned by the Offeror and Wholly Owned Subsidiaries is less than 90% of the number of voting rights of all Company shareholders after the Tender Offer is completed, then soon after settlement, the Offeror plans to request the Company to call an extraordinary general meeting of Company shareholders (the "Extraordinary Shareholders Meeting"); a meeting that will include proposal agenda items for a consolidation of shares of the Company's Stock pursuant to Article 180 of the Companies Act (the "Share Consolidation") and an amendment to the Articles of Incorporation to abolish the number of unit shares stipulated therein, on condition that the Share Consolidation takes effect. According to the Offeror, the Offeror believes that it is preferable to hold the Extraordinary Shareholders Meeting as promptly as possible from the view point of improving the corporate value of the Company, and it plans to request the Company to issue a public notice of the establishment of a reference date during the period of purchase for the Tender Offer (the "Tender Offer Period") with the reference date for the Extraordinary Shareholders Meeting being a date close to and after the commencement of the date of the settlement for the Tender Offer (according to the Offeror, planned for approximately late December, 2025, as of today). As of October 30, 2025, the Company intends to hold an Extraordinary Shareholders Meeting scheduled for approximately mid-February, 2026, at

the Offeror's request. Note that, according to the Offeror, the Offeror intends to vote in favor of both the proposed agenda items listed above at this Extraordinary Shareholders Meeting.

According to the Offeror, if the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, then as of the date that the consolidation takes effect, the number of shares owned by Company shareholders will be in proportion to the share consolidation ratio approved at the Extraordinary General Meeting. According to the Offeror, if the Share Consolidation results in fractions of less than one share, then Company shareholders with fractional shares will, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and statutory regulations, be paid the money that would have been obtained by selling the Company's Stock equivalent to the total number of fractions to the Company or the Offeror (note that if the total number of fractions include a fraction that is less than 1 share, then that fraction will be rounded down; hereinafter the same). Regarding the sale price of the Company's Stock that equate to the sum total of the fractions, according to the Offeror, the Offeror plans to ensure that the sale results in the amount paid to Company shareholders who did not tender to the Offeror (except for the Offeror and the Company) being the same as the Tender Offer Price multiplied by the number of the Company's Stock owned by each such shareholder, before asking the Company to petition the court to endorse the discretionary sale of these shares. According to the Offeror, although as of today, the consolidation ratio for Company's Stock has yet to be determined, it is expected that it will be set so that any shareholders (excluding the Offeror and the Company) who did not tender to the Offeror end up owning a fraction of less than one share of the Company's Stock, allowing the Offeror to become the sole owner of all the shares of the Company's Stock (excluding treasury shares owned by the Company).

If the Share Consolidation results in a fraction of less than one share, an amount of cash obtained by selling to the Company or the Offeror the number of shares of the Company's Stock equivalent to the total sum of the fractional shares (if the total sum includes a fractional share, it is to be rounded off; hereinafter the same) or by other means will be delivered to the shareholders of the Company holding fractional shares in accordance with the procedures under Article 235 of the Companies Act and other relevant laws and regulations.

As procedures under the Companies Act aimed at protecting the rights of ordinary shareholders in relation to the procedures above, the Companies Act provides that in the event that the Share Consolidation is implemented, if the Share Consolidation results in a fraction of less than one share, any shareholder of the Company (excluding the Offeror and the Company) may require the Company to purchase all fractional shares held by the shareholder at a fair price and may file a petition for a court to determine the price of the shares of the Company's Stock that have not been tendered in the Tender Offer 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 of the shares of the Company's Stock will ultimately be determined by a court.

The Company intends to discuss with the Offeror the specific procedures to be taken in each of the above cases and the timing of their implementation, etc. and promptly announce them to the public as soon as they are determined.

The Tender Offer does not in any way solicit the approval of the shareholders of the Company at the Extraordinary Shareholders' Meeting. The shareholders of the Company are urged to consult with tax accountants and other professionals on their own responsibility with respect to the tax treatment of tendering their shares in the Tender Offer and each of procedures described above.

(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer

In view of the fact that the Company is a consolidated subsidiary of the Offeror and the Transaction including the Tender Offer constitutes material transactions, etc. with the controlling shareholder of the Company, and that the Transaction is a type of transaction involving issues of structural conflict of interest and information asymmetry between the Offeror and the ordinary shareholders, the Offeror and the Company have taken the following measures to ensure fairness of the Transaction.

According to the Offeror, as described in "(I) Outline of the Tender Offer" of "(2) Grounds and reasons for the opinion" above, as of today, the Offeror directly owns 51,534,901 shares of the Company's Stock (ownership ratio: 49.64%) and indirectly owns 1,220,423 shares of the Company's Stock (ownership ratio: 1.18%) through the Offeror's subsidiaries and related companies (in total, 52,755,324 shares of the Company's Stock (ownership ratio: 50.81%); therefore, the Offeror believes that if a minimum planned purchase quantity that would satisfy the "majority of minority" is set with respect to the Tender Offer, this would destabilize completion of the Tender Offer and actually undercut the interests of general shareholders who seek to participate in the Tender Offer. Thus, according to the Offeror, the Offeror has not set such a minimum planned purchase quantity that would satisfy the "majority of minority" in the Tender Offer. However, according to the Offeror, as both the Offeror and the Company have put in place the measures described below, the Offeror believes that sufficient consideration has been given to the interests of general shareholders of the Company.

Also, in the Report, the Special Committee determines that in light of the status of the implementation of other measures to ensure fairness, the fairness of the conditions of the Transaction is deemed not to be denied merely because the conditions for "Majority of Minority" are not set, and the Company is of the same opinion.

(I) Procurement by the Offeror of a share valuation report from an independent third-party valuator

According to the Offeror, when determining the Tender Offer Price, the Offeror requested that JPMorgan Securities, a financial advisor and a third-party valuator independent of the Offeror and the Company, calculate the share value of the Company's Stock, and obtained the Offeror's report

dated October 30, 2025 regarding the results of the calculation of the share value of the Company's Stock. For details of the Offeror's report on the share value of the Company's Stock that the Offeror obtained from JPMorgan Securities Japan, please see "(I) Procurement by the Offeror of a share valuation report from an independent third-party valuator" under "(3) Matters concerning valuation" above.

(II) Procurement by the Company of a share valuation report and a fairness opinion from an independent third-party valuator

As stated in "(II) Procurement by the Company of a share valuation report and a fairness opinion from an independent third-party valuator" under "(3) Matters concerning valuation" above, in determining its opinion on the Tender Offer, the Company requested Daiwa Securities, a financial advisor and third-party valuator independent of the Offeror Parties and the Sumitomo Riko Group, to calculate the value of the Company's Stock, and to express opinions on the fairness of the terms and conditions of the Transaction to the Company's ordinary shareholders from a financial viewpoint, and received the Share Valuation Report (Daiwa Securities) and the Fairness Opinion (Daiwa Securities) on October 29, 2025. Daiwa Securities is not a member of the Offeror Parties or the Sumitomo Riko Group and has no material interest in the Tender Offer that should be disclosed.

(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee

(i) Background of establishment of the committee, etc.

As stated in "(i) Background to the establishment of an evaluation framework" under "(IV) Decision-making process of the Company's board of directors " under "(2) Grounds and reasons for the opinion" above, the Company established the Special Committee by resolution of the board of directors' meeting held on July 30, 2025. Prior to the establishment of the Special Committee, from July 7, 2025, when the Company received the Written Proposal from the Offeror, the Company, with the advice of Anderson Mori & Tomotsune, established a system to consider, negotiate, and make decisions regarding the Transaction from a standpoint independent of the Offeror and from the perspective of enhancing the Company's corporate value and securing the interests of the Company's shareholders. The Company has individually informed all of its Independent Directors and Independent Audit & Supervisory Board Members that the Company received a proposal for the Transaction from the Offeror and that since the Transaction is a type of transaction involving issues of structural conflict of interest and information asymmetry, it is necessary to take sufficient measures to ensure the fairness and appropriateness of the terms and conditions of the Transaction, including the establishment of the Special Committee, when considering and negotiating for the Transaction. At the same time, the Company has also, with the advice of Anderson Mori & Tomotsune, confirmed the independence and qualifications of the independent outside officers of

the Company who are candidates for members of the Special Committee. Then, the Company has appointed the following six persons as candidates for members of the Special Committee: Mr. Masaaki Iritani (Independent Director of the Company); Mr. Kiyotaka Ise (Independent Director of the Company); Ms. Mariko Miyagi (Independent Director of the Company); Mr. Hakaru Hyakushima (Independent Audit & Supervisory Board Member of the Company); Ms. Tatsuko Koike (Independent Audit & Supervisory Board Member of the Company); and Ms. Reiko Matsuda (Independent Audit & Supervisory Board Member of the Company) (the members of the Special Committee have not been changed since its establishment, with Mr. Masaaki Iritani, an Independent Director of the Company, appointed as the chairman of the Special Committee by mutual vote among the committee members). Each member of the Special Committee shall receive a fixed remuneration for his or her services, regardless of the content of the report.

Furthermore, as stated in "(i) Background to the establishment of an evaluation framework" under "(IV) Decision-making process of the Company's board of directors" under "(2) Grounds and reasons for the opinion" above, the Company established the Special Committee by resolution of the Company's board of directors meeting held on July 30, 2025, and consulted with the Special Committee on the Consultation Matters. In addition, in establishing the Special Committee, the Company's board of directors has resolved that (i) the Company's board of directors will make decisions in connection with the Transaction, respecting to the fullest extent the Special Committee's judgment, including its approval or disapproval of the Tender Offer; and (ii) if the Special Committee determines the terms and conditions of the Transaction to be inappropriate, the Company's board of directors will not approve the Transaction under such terms and conditions, and that the Company will authorize the Special Committee to (i) appoint its advisors such as a financial advisor and a legal advisor, as necessary, in considering and making judgments concerning the Consultation Matters (in this case, the reasonable costs associated therewith will be borne by the Company) or approve (including ex-post facto approval) the advisors appointed by the Company; (ii) receive from the Company's officers and employees and such other persons as the Special Committee deems necessary all information reasonably necessary to consider and make judgments concerning the Consultation Matters, as necessary, and (iii) discuss and negotiate the terms and conditions of the Transaction with the Offeror, as necessary.

(ii) Background of consideration

The Special Committee held a total of eleven meetings during the period from July 30, 2025 to October 29, 2025. In addition, the members of the Special Committee performed their duties with respect to the Consultation Matters by, among other thigs, reporting to and exchanging information with the other members and deliberating and making decisions by e-mail or web conference from time to time as necessary between such meetings.

Specifically, the Special Committee has confirmed that there were no issues regarding the

independence and expertise of Daiwa Securities, the Company's financial advisor and third-party valuator, and Anderson Mori & Tomotsune, the Company's legal advisor, and approved their appointment, and confirmed that the Special Committee has no objection to receiving professional advice from these advisors.

The Special Committee also considered matters such as independence, expertise, and performance of candidates for the third-party valuator, and then appointed Plutus Consulting as its own financial advisor and third-party valuator independent of the Offeror Parties and the Sumitomo Riko Group on August 6, 2025. The Special Committee has confirmed that Plutus Consulting is not a member of the Offeror Parties or the Sumitomo Riko Group and has no material interest in the Transaction, including the Tender Offer, and that there are no other concerns with respect to the independence in the Transaction.

The Special Committee then considered measures to be taken to ensure the fairness of the procedures in the Transaction based on the opinions heard from Anderson Mori & Tomotsune.

Also, on August 13, 2025, the Company and the Special Committee asked the Offeror questions in writing regarding the Questionnaire. On August 22, 2025, the Company received a written response to the Questionnaire from the Offeror. Based on such response, at the Special Committee meeting held on August 27, 2025, the Company and the Special Committee conducted additional interviews regarding the Questionnaire, and received from the Offeror explanations regarding such response and conducted Q&A sessions and discussions in this respect.

Since September 29, 2025, the Company has conducted several rounds of negotiations with the Offeror regarding the Tender Offer Price. Specifically, on September 29 , 2025, the Company received a proposal for the Transaction from the Offeror, which included setting the Tender Offer Price at 2,300 yen (representing a premium of 2.68% on the closing price of 2,240 yen of the Company's Stock on the Prime Market of the TSE as of September 26, 2025, which is the business day prior to the day on which this proposal was made; 3.42% on the simple average closing price of 2,224 yen for the previous month up to the same date; 15.23% on the simple average closing price of 1,996 yen for the previous three months up to the same date; and 27.78% on the simple average closing price of 1,800 yen for the previous six months up to the same date) based on the premise that no year-end dividends will be paid for FY2026, which resulted from comprehensive consideration of the information obtained through the due diligence conducted by the Offeror on the Company, the initial valuation analysis of the Company's Stock conducted by JPMorgan Securities Japan, the Offeror's financial advisor, on the basis of such information, and the initial valuation analysis of the Company's Stock conducted by the Offeror on the basis of such information. However, on October 1, 2025, the Company requested reconsideration of the Tender Offer Price, claiming that: (i) it is difficult to consider the terms acceptable from the perspective of ordinary shareholders given the current stock price level; and (ii) it warrants more careful consideration when taking into account premium levels in comparable transactions and recent

market trends. Subsequently, on October 7, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,400 yen (representing a premium of 9.24% over the closing price of the Company's Stock of 2,197 yen on the Prime Market of the TSE on October 6, 2025, which is the business day immediately preceding the proposal date; a premium of 7.91% over the simple average closing price of 2,224 yen for the past one month ending on the said date; a premium of 17.42% over the simple average closing price of 2,044 yen for the past three months ending on the said date; and a premium of 31.58% over the simple average closing price of 1,824 yen for the past six months ending on the said date) as a result of careful consideration of the Tender Offer Price. However, on October 8, the Company requested reconsideration of the Tender Offer Price, stating that, in light of the Company's share price trends and the premium levels observed in comparable transactions, the proposed price was far from a level the Company could endorse and still did not, in its view, adequately reflect the intrinsic value of the Company. In response to this request, on October 14, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,480 yen (representing a premium of 17.87% over the closing price of the Company's Stock of 2,104 yen on the Prime Market of the TSE on October 10, 2025, which is the business day immediately preceding the proposal date; a premium of 12.37% over the simple average closing price of 2,207 yen for the past one month ending on the said date; a premium of 19.63% over the simple average closing price of 2,073 yen for the past three months ending on the said date; and a premium of 34.05% over the simple average closing price of 1,850 yen for the past six months ending on the said date) as a result of careful reconsideration of the Tender Offer Price. In response, on October 15, the Company requested reconsideration of the Tender Offer Price, stating, in light of the share valuation currently being conducted by the financial advisor engaged by the Company and the Special Committee, that: (i) the proposed tender offer price does not adequately reflect the intrinsic value of the Company and therefore does not constitute fair and reasonable economic terms for the ordinary shareholders of the Company; (ii) the Company's current share price reflects the market's appropriate assessment of its intrinsic value that incorporates the Company's performance and future growth prospects, including the dissipation of market uncertainty surrounding tariff policies; and (iii) in comparing premium levels with comparable transactions, the Company and the Special Committee have considered not only going-private transactions aimed at making the target a wholly-owned subsidiary but also transactions in circumstances similar to those of the Transaction, and even against such comparable cases, the proposed tender offer price is still far from a level the Company could endorse. In response to this request, on October 20, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,510 yen (representing a premium of 19.47% over the closing price of the Company's Stock of 2,101 yen on the Prime Market of the TSE on October 17, 2025, which is the business day immediately preceding the proposal date; a premium of 15.56% over the simple average closing price of 2,172 yen for the past one month ending on the said date; a premium of

19.64% over the simple average closing price of 2,098 yen for the past three months ending on the said date; and a premium of 33.80% over the simple average closing price of 1,876 yen for the past six months ending on the said date), on the grounds that the recent rise in the Company's share price may well have been driven by the overall upward movement of the Japanese stock market rather than by changes in the Company's intrinsic value, and that, in such circumstances, it would not be appropriate to assess the premium for the Tender Offer by reference to comparable transactions. In response, on October 22, the Company requested reconsideration of the Tender Offer Price, stating that the re-proposed tender offer price still does not adequately reflect the intrinsic value of the Company and remains insufficient when compared to premium levels in other comparable transactions, and asked that any reconsideration take into account the synergies expected to be realized through the Transaction and incorporate a distribution of those synergies. In response to this request, on October 24, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,550 yen (representing a premium of 14.61% over the closing price of the Company's Stock of 2,225 yen on the Prime Market of the TSE on October 23, 2025, which is the business day immediately preceding the proposal date; a premium of 17.95% over the simple average closing price of 2,162 yen for the past one month ending on the said date; a premium of 20.51% over the simple average closing price of 2,116 yen for the past three months ending on the said date; and a premium of 34.28% over the simple average closing price of 1,899 yen for the past six months ending on the said date). In response, on October 27, after careful deliberation by the Company and the Special Committee, the Company concluded that, taking into account (i) a comparison with premium levels in comparable transactions, (ii) the fair distribution to ordinary shareholders of synergies expected to arise from the Transaction, and (iii) a price level that reflects the Company's intrinsic value, the proposed tender offer price remains insufficient for the Company to endorse the Transaction or to recommend that the Company's ordinary shareholders tender their shares. In particular, although the Offeror's proposal contends that the price represents an adequate premium over the simple average closing price of the Company for the past six months, excluding reliance on the recent upward movement in the Company's share price, the Company believes the recent rise in its share price was not driven by the general rise in the stock market, but rather reflects recognition of the Company's fundamental strengths and earnings power. Accordingly, the Company considers that premiums relative not only to the past six-month average but also to the past one-month and three-month average closing prices should be taken into account, and, also considering the expectations of market participants including the Company's ordinary shareholders regarding the economic terms of the Transaction, has requested reconsideration of the Tender Offer Price. In response to this request, on October 28, the Company received the final proposal from the Offeror to set the Tender Offer Price at 2,600 yen (representing a premium of 13.34% over the closing price of the Company's Stock of 2,294 yen on the Prime Market of the TSE on October 27, 2025, which is the business day immediately preceding the proposal date; a premium of 20.31%

over the simple average closing price of 2,161 yen for the past one month ending on the said date; a premium of 22.12% over the simple average closing price of 2,129 yen for the past three months ending on the said date; and a premium of 36.13% over the simple average closing price of 1,910 yen for the past six months ending on the said date). As a result, on October 29, 2025, the Company notified the Offeror that it would accept the Offeror's proposal and reached an agreement to set the Tender Offer Price at 2,600 yen.

In the course of the above review and negotiations, the Company considered the opinions heard from the Special Committee as well as advice from Daiwa Securities and Anderson Mori & Tomotsune in its discussions and negotiations with the Offeror regarding the Tender Offer Price. At that time, the Special Committee received advice from Plutus Consulting and Anderson Mori & Tomotsune, advisors to the Special Committee, as needed, and exchanged opinions with the Company and its advisors, and has given confirmations and approvals, as appropriate. Specifically, to start with, the Special Committee confirmed and approved in advance the reasonableness of the substance, material assumptions, and the process of preparation, etc. of the Business Plan, which were to be presented by the Company to the Offeror and which would constitute the basis for the share valuation of the Company's Stock by Daiwa Securities and Plutus Consulting. In addition, Daiwa Securities, the Company's financial advisor, has negotiated with the Offeror in accordance with the negotiation policy determined upon deliberation by the Special Committee in advance. Upon receipt of each proposal from the Offeror regarding the Tender Offer Price, Daiwa Securities immediately reported to the Special Committee, and received opinions, instructions, requests, etc. from the Special Committee regarding the policy of negotiation with the Offeror and other matters, and acted in accordance with such opinions, instructions, requests, etc.

(iii) Determinations

Based on the above background, and taking into consideration the advice from a financial perspective received from Plutus Consulting, as well as the content of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), which were submitted on October 29, 2025, the Special Committee carefully discussed and considered the Consultation Matters. As a result, on October 29, 2025, the Special Committee submitted to the Company's board of directors the Report with the unanimous consent of all members. For details of the Report, please see Attachment 1.

(IV) Procurement by the special committee of a share valuation report and a fairness opinion from an independent third-party valuator

As stated in "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" above, in considering the Consultation Matters, the Special Committee appointed Plutus Consulting, a financial advisor and third-party valuator

independent of the Offeror Parties and the Sumitomo Riko Group, to calculate the share value of the Company's Stock and to provide advice from a financial perspective, including advice on the negotiation policy with the Offeror, and procured the Share Valuation Report (Plutus Consulting) on October 29, 2025. Also, the Special Committee obtained the Fairness Opinion (Plutus Consulting) to the effect that 2,600 yen per share, which is the Tender Offer Price, is fair to the Company's shareholders from a financial viewpoint. For the outline of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), please see "(III) Procurement by the special committee of a share valuation report and a fairness opinion from an independent third-party valuator" under "(3) Matters concerning valuation" above. Plutus Consulting is not a member of the Offeror Parties or the Sumitomo Riko Group and has no material interest in the Tender Offer that should be disclosed.

(V) Advice procured by the Company from an independent law firm

As described above in "(IV) Decision-making process of the Company's board of directors " under "(2) Grounds and reasons for the opinion," the Company appointed Anderson Mori & Tomotsune as its legal advisor independent of the Offeror Parties and the Sumitomo Riko Group, and has received legal advice with respect to the measures to be taken to ensure the fairness of the procedures in the Transaction, the procedures for the Transaction, the method and process of decision-making by the Company regarding the Transaction, and other matters that must be noted in making decisions.

In addition, as described above in "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee," the Special Committee has confirmed that there is no issue regarding the independence, expertise, or performance of Anderson Mori & Tomotsune and approved its appointment.

Anderson Mori & Tomotsune is not a related party of the Offeror Parties or the Sumitomo Riko Group and has no material interest in the Transaction, including the Tender Offer, that should be described. The fees paid to Anderson Mori & Tomotsune are to be calculated by multiplying the hours worked by the hourly rate, regardless of whether the Transaction is successfully completed, and do not include any performance fee payable upon successful completion of the Transaction.

(VI) Establishment of an independent review system in the Company

From the perspective of eliminating the issues of structural conflict of interest, the Company has established a system within the Company to consider, negotiate, and make judgments concerning the Transaction in a position independent of the Offeror Parties.

Specifically, after receiving the written proposal on July 7, 2025, the Company has considered and established a project team to review the Transaction and conduct discussions and negotiations with the Offeror. The project team has been designed, and continues, to consist only of officers and employees of the Company who do not concurrently serve as officers or employees of any of the

companies of the Offeror Group other than the Company. Furthermore, although, out of the Directors of the Company, Mr. Kazushi Shimizu and Mr. Hideo Yamane were employees of the Offeror in the past, more than 7 years have passed since Mr. Kazushi Shimizu was transferred from the Offeror to the Company and more than 5 years have passed since Mr. Hideo Yamane was transferred from the Offeror to the Company, and they have not been involved in the Transaction on the part of the Offeror and are not in a position to do so, and thus, the Company has determined that there is no risk of any conflict of interest regarding the Company's decision-making regarding the Transaction and these two Directors have participated in the deliberations and resolutions at the board of directors meeting as mentioned above. Furthermore, the Special Committee approved that there is no problem in the Company's review system (including the scope and duties of the officers and employees of the Company who are involved in the consideration, negotiations and judgment of the Transaction), including such treatment, from the viewpoint of independence and fairness.

(VII) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested Audit & Supervisory Board Members of the Company that they have no objection

Based on the legal advice from Anderson Mori & Tomotsune, the financial advice from Daiwa Securities, the content of the Share Valuation Report (Daiwa Securities) and the Fairness Opinion (Daiwa Securities), the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), which were submitted through the Special Committee, the Report procured from the Special Committee, the content of the continuing discussions held several times with the Offeror, and other related materials, the Company carefully discussed and considered the content of the terms and conditions regarding the Tender Offer by the Offeror. As a result, as described above in "(iii) Determinations" under "(IV) Decision-making process of the Company's board of directors" under "(2) Grounds and reasons for the opinion," the Company resolved at its board of directors meeting held today that the Company will express its opinion in favor of the Tender Offer and will recommend its shareholders to tender their shares of the Company's Stock in the Tender Offer.

The above-mentioned resolution of the Company's board of directors was adopted by the unanimous consent of all the directors (including three Independent Directors) who participated in the deliberation among eight directors of the Company.

In addition, among five Audit & Supervisory Board Members of the Company, all the Audit & Supervisory Board Members (including three Independent Audit & Supervisory Board Members) attended the above-mentioned board of directors meeting, and all of them expressed their opinion that they have no objection to the Company's expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer.

Although two directors (Mr. Kazushi Shimizu and Mr. Hideo Yamane) and one Audit & Supervisory Board Member (Mr. Hirohisa Maeda) of the Company have held positions of officers or employees of the Offeror in the past, more than 7 years have passed since Mr. Kazushi Shimizu

was transferred from the Offeror to the Company, and more than 5 years have passed since Mr. Hideo Yamane was transferred from the Offeror to the Company, and more than 15 years have passed since Mr. Hirohisa Maeda was transferred from the Offeror to the Company, and none of the directors and Audit & Supervisory Board Member concurrently holds positions of officers or employees of the Offeror and is in a position to receive instructions from the Offeror. As such, the Company has determined that the above-mentioned two directors and one Audit & Supervisory Board Member of the Company have no interest in respect of which the fairness of the procedures would be impaired unless they are excluded from the deliberations or resolutions of the board of directors of the Company. Including this treatment, the Company has obtained approval from the Special Committee that there are no issues with the review system in the Company for the Transaction from the standpoints of independence and fairness.

(VIII) No deal protection clause

The Company and the Offeror have not entered into any agreement that would restrict a competing offeror from contacting the Company, such as an agreement containing a deal protection clause that would prohibit the Company from contacting a competing offeror. Consideration has been given to ensuring the fairness of the Tender Offer by, among other things, not restricting the opportunity to receive competing offers.

(IX) Measures to ensure that the Company's shareholders have the opportunity to make an appropriate decision on whether to tender their shares in the Tender Offer

According to the Offeror, as stated in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition") " above, the Offeror has expressed the following: (i) the Offeror intends to request, promptly after the completion of the settlement of the Tender Offer, that the Company hold the Extraordinary Shareholders Meeting whose agenda includes: (a) that the Offeror conduct the Demand for Cash-Out commensurate with the number of shares acquired upon the successful completion of the Tender Offer; or (b) that the Company conduct the Share Consolidation and partially amend its Articles of Incorporation to abolish the unit share clause, on condition that the Share Consolidation becomes effective; and the Offeror will not adopt any methods that do not secure, for the Company's shareholders, the right to demand the purchase of shares or the determination of price; and (ii) in conducting the Demand for Cash-Out or the Share Consolidation, the cash delivered to the Company's shareholders as consideration will be calculated to equal the Tender Offer Price multiplied by the number of shares of the Company's Stock owned by the respective shareholders (excluding the Offeror and the Company). Accordingly, the Offeror has considered avoidance of coerciveness by securing the opportunity for the Company's shareholders to appropriately decide whether to tender in the Tender Offer.

According to the Offeror, the Offeror has set the Tender Offer Period to 30 business days, which is

longer than the shortest period of 20 business days provided by relevant laws and regulations. According to the Offeror, by setting such a comparatively long Tender Offer Period, the Offeror intends to secure an appropriate opportunity to allow the Company's shareholders to decide whether to tender their shares in the Tender Offer, and at the same time, to ensure the appropriateness of the Tender Offer Price.

In connection with implementing the Transaction, the Company did not conduct any investigation or review as to whether or not there were any potential acquirers (so-called "active market checks"). However, the Company believes that the lack of active market checks alone would not constitute an insufficient ensuring the fairness of the Tender Offer because (i) from information management and other perspectives, it is not necessarily easy in practice to conduct active market checks, and (ii) the Offeror, who proposed the Transaction, is the largest shareholder of the Company as of today, holding 51,534,901 shares (Shareholding Ratio: 49.64%), and has the Company as a consolidated subsidiary based on the substantial control criteria, and thus, it is unlikely that any counterproposal will be made to the Tender Offer by the Offeror.

4. Matters concerning Material Agreements between the Offeror and the Shareholders of the Company regarding the Tender of Shares

Not applicable.

5. Description of Provision of Profit by Offeror or its Special Interest Parties

Not applicable.

6. Policy to Address Basic Policy concerning Control of Company

Not applicable.

7. Inquiries to Offeror

Not applicable.

8. Request for Extending Tender Offer Period

Not applicable.

9. Future Outlook

Please see "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror," "(III) Management policy after the Tender Offer," and "(IV) Decision-making process of the Company's board of directors" under "(2) Grounds and reasons for the opinion," "(4) Possibility of delisting and reason therefor," and "(5) Policies on reorganization, etc. after the Tender

Offer (matters concerning "two-step acquisition")" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" above.

10. Matters concerning MBO, etc.

(1) Compliance with guidelines concerning minority shareholders protection policy in conducting transactions, etc. with the controlling shareholder

The Offeror is the parent company of the Company. Accordingly, the Transaction, including the expression of opinion on the Tender Offer, is subject to the "Matters to be Observed Pertaining to MBOs, etc." as set forth in Rule 441 of the Securities Listing Regulations.

In its corporate governance report disclosed on June 30, 2025, the Company stated the following as its "Guidelines Concerning Minority Shareholders Protection Policy in Conducting Transactions, etc. with the Controlling Shareholder:" "The transactions between the Company and Sumitomo Electric Industries, Ltd. include sales and other transactions, which account for approximately 2% of the Company's consolidated sales revenue. Any transactions are subject to arms-length rules, and transactions of a certain size or larger as prescribed by the regulations of the board of directors require approval by the board of directors, one-thirds (1/3) of whom are Independent Directors. The status of transactions with the parent company, including transactions that do not fall under the criteria for discussion by the board of directors, is regularly reported to the board of directors. With respect to any important transactions or acts for which there may be a conflict of interest between the controlling shareholder and the minority shareholders, the Company will establish a special committee consisting only of Outside Directors and Outside Audit & Supervisory Board Members, which discusses and resolves the matter." In connection with the Transaction, including the Tender Offer, the Company has taken measures to address structural conflict of interest and to ensure fairness of the terms and conditions of the Transaction, including the Tender Offer Price, as described above in "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer." The Company believes that such measures comply with the above-mentioned guidelines.

(2) Matters concerning measures to ensure fairness and to avoid conflict of interest

As described above in "(1) Applicability of transactions, etc. with controlling shareholder and compliance with guidelines concerning minority shareholders protection policy," the Transaction, including the Tender Offer, are transactions, etc. with the controlling shareholder for the Company. Accordingly, the Company has determined that measures to ensure fairness and to avoid conflict of interest are necessary, and has taken the measures described above in "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer." In this way, the Company has made decisions after ensuring fairness and avoiding conflict of interest.

(3) Opinion of the Special Committee regarding the fact that transactions, etc. are fair to the shareholders

The Company procured the Report from the Special Committee on October 29, 2025 to the effect that the Special Committee believes that the resolution of the board of directors of the Company to express the opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer is fair to the shareholders of the Company. For the details, please see "(iii) Determinations" under "(III) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" above. The Report also serves as an opinion that it is fair to the shareholders of the Company for the Offeror to take the Company private after the successful completion of the Tender Offer as described above in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer." For details of the Report, please see Attachment 1.

11. Other Matters Necessary for Investors to Properly Understand and Evaluate Corporate Information

(1) Publication of "Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2026 [IFRS]"

The Company published the Company's Earnings Briefing today. For the details, please see the published document.

(2) Publication of "Notice Regarding the Revision of Full-Year Consolidated Financial Forecast, Dividend of Surplus (Interim Dividend and Dividend Increase), and Revision of Year-End Dividend Forecast (No Dividend Payment)"

At the board of directors meeting held today, the Company resolved to revise its full-year consolidated financial forecast for the fiscal year ending March 31, 2026, and to pay a dividend of surplus (interim dividend and dividend increase) with a record date of September 30, 2025, and not to pay year-end dividend for the fiscal year ending March 31, 2026, subject to the successful completion of the Tender Offer. For the details, please see the published document.

(Reference)

Report (Attachment 1)

"Notice Regarding Commencement of Tender Offer for Shares of Sumitomo Riko Company Limited. (Securities Code: 5191)" dated October 30, 2025 (Attachment 2)

End of Document

[Soliciting Regulations]

This press release is a statement to publicly announce the Tender Offer and is not prepared for the purpose of soliciting an offer to sell. When making an offer for sale, please be sure to read the Tender Offer Explanation Statement regarding the Tender Offer and make the offer at your own discretion. This press release does not constitute an offer to sell, a solicitation of an offer to sell, or a solicitation of an offer to purchase any securities, nor does it constitute a part thereof, and this press release (or any part hereof) or the fact of its distribution shall not serve as the basis for any contract related to the Tender Offer, and may not be relied upon when executing any contract.

[Future Outlook]

This press release includes expressions regarding the future business of the Company or other companies, etc., and may include expressions regarding future outlooks such as "expect," "predict," "intend," "plan," "believe," or "anticipate." These expressions are based on the Company's current business outlook and may change depending on future circumstances. The Company is not obligated to update the information regarding future outlook to reflect actual business results, various circumstances, changes in conditions, etc.

[U.S. Regulations]

The Tender Offer is to be conducted in compliance with the procedures and information disclosure standards stipulated by the Financial Instruments and Exchange Act of Japan, and these procedures and standards are not necessarily the same as those applicable in the United States. Specifically, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; hereinafter the same) as well as the regulations promulgated thereunder do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. Unless otherwise specified, all procedures related to the Tender Offer will be conducted in the Japanese language. While all or part of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in the case of any discrepancy between the Japanese documents and the corresponding English documents.

Statements in this press release and the documents referenced herein include "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act of 1934. The actual results may significantly differ from the projections expressed or implied as the "forward-looking statements" due to known or unknown risks, uncertainties, or other factors. Neither the Offeror nor the Company nor any of their affiliates guarantee that the projections expressed or implied as the "forward-looking statements" will turn out to be accurate. The "forward-looking statements" contained in this press release and the documents referenced herein have been prepared based on the information available to the Offeror and the Company as of the date of this press release and the documents referenced herein, and unless required by laws and regulations, neither the Offeror nor the Company nor any of their affiliates are obligated to update or correct the statements made herein and therein in order to reflect future events or circumstances. The financial information contained in this press release and the documents referenced herein is based on the accounting standards applicable in Japan. Such accounting standards may be substantially different from accounting principles generally accepted in the United States or other countries. It may be difficult to exercise or

claim any right that may be asserted under U.S. federal securities laws, because both the Offeror and the Company are established outside the United States and all or part of their officers are non-U.S. residents. Further, it may be impossible to initiate legal proceedings in a non-U.S. court against a non-U.S. company or its officers for violations of U.S. federal securities laws. Additionally, non-U.S. entities and their subsidiaries and affiliates may not necessarily be subject to the jurisdiction of U.S. courts.

There is a possibility that, in the ordinary course of business, the Offeror and its affiliates, financial advisors of the Offeror and the Company, and the tender offer agent (including their affiliates) may, to the extent permitted by the laws and regulations relating to financial instruments transactions and other applicable laws and regulations of Japan and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, on their own or their customers' account, purchase or take action toward purchasing shares of the Company's Stock listed on the Prime Market of the TSE and the Premium Market of the NSE outside the Tender Offer prior to or during the tender offer period of the Tender Offer. Such a purchase may be made at a market price through market transactions or at a price determined through off-market negotiations. If information regarding such a purchase is disclosed in Japan, it will be disclosed in English on the website of the relevant purchaser or its affiliates (or by other disclosure methods).

[Other Countries]

Legal restrictions may be imposed on the announcement, publication, or distribution of this press release in certain countries or regions. In such cases, please be aware of and comply with such restrictions. This press release shall not constitute a solicitation of an offer to purchase or an offer to sell shares related to the Tender Offer, and shall be deemed to have been distributed for informative purposes only.

(Translation)

October 29, 2025

To the board of directors of Sumitomo Riko Company Limited

Special Committee of Sumitomo Riko Company Limited

Masaaki Iritani, Chairperson

Hakaru Hyakushima, Committee Member

Mariko Miyagi, Committee Member

Kiyotaka Ise, Committee Member

Tatsuko Koike, Committee Member

Reiko Matsuda, Committee Member

Report

This report (this "Report") sets forth the recommendations resolved by the special committee (the "Committee"), which was established by the board of directors of Sumitomo Riko Company Limited (the "Company") with respect to the Transaction (as defined in Part 1.), after careful deliberation on the matters (specific details of which are set out in Part 2.) consulted by the Company's board of directors from a standpoint independent of the Offeror (as defined in Part 1.), the other parties to the Transaction, and the outcome of the Transaction.

Part1. Terms

In this Report, the terms listed in each of the following items shall have the meanings as defined in the respective items.

(1) "M&A Guidelines" means the "Fair M&A Guidelines" dated June 28, 2019 prepared by the Ministry of Economy, Trade and Industry (the "METI").
(2) "AMT" means Anderson Mori & Tomotsune.
(3) "Corporate Takeover Guidelines" means the "Guidelines for Corporate Takeovers" dated August 31, 2023 prepared by the METI.
(4) "Tender Offer Period" means the period of purchase for the Tender Offer.
(5) "Offeror" means Sumitomo Electric Industries, Ltd.
(6) "Offeror Group" means the corporate group comprising a total of 418 companies consisting of the Offeror, its 388 consolidated subsidiaries including the Company, and its 29 affiliated companies (as of October 29, 2025).
(7) "Tender Offer Notification" means the draft of the tender offer notification that the Offeror intends to file with the Kanto Local Finance Bureau on October 31, 2025, as of the time of preparation of this Report.
(8) "Daiwa Securities" means Daiwa Securities Co., Ltd.
(9) "TSE" means Tokyo Stock Exchange, Inc.
(10) "Opinion Press Release" means the draft of "Notice Concerning Opinion in Favor of Tender Offer for the Company's Stock by Sumitomo Electric Industries, Ltd., the Controlling Shareholder of the Company and Recommendation to Tender" that the Company intends to release on October 30, 2025, as of the time of preparation of this Report.
(11) "Company's Stock" means the common stock of the Company.
(12) "Sumitomo Riko Group" means the corporate group comprising a total of 82 companies consisting of the Company, its 74 consolidated subsidiaries, and its seven affiliated companies (as of October 29, 2025).
(13) "NSE" means Nagoya Stock Exchange, Inc.
(14) "Plutus Consulting" means PLUTUS CONSULTING Co., Ltd.
(15) "Share Valuation Reports" collectively means the Share Valuation Report (Daiwa Securities) and the Share Valuation Report (Plutus Consulting).
(16) "Share Valuation Report (Daiwa Securities)" means the share valuation report dated October 29, 2025 prepared by Daiwa Securities.
(17) "Share Valuation Report (Plutus Consulting)" means the share valuation report dated October 29, 2025 prepared by Plutus Consulting.

(18) "Tender Offer" means the tender offer to be conducted by the Offeror based on the Tender Offer Notification, for the Company's Stock (excluding the Company's Stock directly held by the Offeror and the treasury stock held by the Company).

(19) "Tender Offer Price" means the purchase price per Company's Stock in the Tender Offer.

(20) "Squeeze-out Process" means the series of processes to be carried out after the completion of the Tender Offer, should the Offeror fail to acquire all of the Company's Stock (excluding the Company's Stock directly held by the Offeror and the treasury stock held by the Company) through the Tender Offer, in order to make the Offeror the sole shareholder of the Company.

(21) "Written Proposal" means the initial letter of intent regarding the Transaction, which the Company received from the Offeror as of July 7, 2025.

(22) "Transaction" means the transaction wherein the Offeror acquires all of the Company's Stock (excluding the Company's Stock directly held by the Offeror and the treasury stock held by the Company), for the purpose of making the Company the Offeror's wholly-owned subsidiary.

(23) "Fairness Opinions" collectively means the Fairness Opinion (Daiwa Securities) and the Fairness Opinion (Plutus Consulting).

(24) "Fairness Opinion (Daiwa Securities)" means the written opinion dated October 29, 2025 prepared by Daiwa Securities.

(25) "Fairness Opinion (Plutus Consulting)" means the written opinion dated October 29, 2025 prepared by Plutus Consulting.

Part2. Consultation matters

1. Whether the purpose of the Transaction is justifiable and reasonable (including whether the Transaction contributes to the enhancement of the Company's corporate value).
2. Whether the fairness and appropriateness of the terms and conditions of the Transaction (including whether the level of the consideration for the acquisition, the method of the acquisition, the type of consideration for the acquisition, and other terms and conditions of the Transaction are fair) are ensured.
3. Whether procedures to secure the fairness of the terms and conditions of the Transaction have been sufficiently taken.
4. Based on 1. through 3. above, whether the Transaction is considered fair to the ordinary shareholders of the Company.
5. Whether the Company's board of directors should express an opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer.

Part3. Procedures leading to the recommendations and the limitations thereto

3-1. Procedures leading to the recommendations

The Committee conducted the following tasks and procedure in making its recommendations regarding the Consultation Matters.

(1) Committee meetings

The Committee held a total of 11 meetings to deliberate on the Consultation Matters. As a result, as of the preparation date of this Report, the Committee has prepared this Report with the unanimous agreement of all six committee members.

(2) Reviewed materials

The Committee reviewed the Written Proposal, the Share Valuation Reports, the Fairness Opinions, the Tender Offer Notification, the Opinion Press Release, and the Written Response (Offeror) (as defined in (3)), together with a series of materials concerning the negotiations between the Offeror and the Company on matters such as the implementation of the Transaction and the Tender Offer Price, as well as other various materials distributed to the Committee (collectively, the "Reviewed Materials").

(3) Hearings, Etc.

In order to consider the Consultation Matters, the Committee conducted hearings, interviews, question-and-answer sessions, and other related activities (collectively, the "Hearings, Etc."), including the following matters, during committee meetings:

① At the Second Meeting held on August 6, 2025, the Committee confirmed with the Offeror the details of the hearing items (the "Questionnaire (Offeror)") to be used by the Committee to ask the Offeror about the significance and purpose of the Transaction as perceived by the Offeror. The Questionnaire (Offeror) was sent to the Offeror on August 13, 2025. To this, a written response (the "Written Response (Offeror)") corresponding to the Questionnaire (Offeror) was received from the Offeror on August 22, 2025. Based on the Questionnaire (Offeror) and the Written Response (Offeror), at the Third Meeting held on August 27, 2025, the Committee conducted an interview with the Offeror and received explanations regarding the significance and purpose of the Transaction, background to the proposal of the Transaction, the synergies of the

Transaction, the disadvantages of the Transaction, the structure of the Transaction, and the management policy of the Company after the Transaction, and held a question-and-answer session.

② At the Fourth Meeting held on September 3, 2025, the Committee received explanations from the Company regarding matters including the contents, important preconditions, and development process of the business plan formulated by the Company covering the period from FY2025 to FY2029 (the "Business Plan"), and held a question-and-answer session.

③ At the Fourth Meeting held on September 3, 2025, the Committee confirmed with the Company the details of the hearing items (the "Questionnaire (Company)") to be used by the Committee to ask the Company about the background and purpose of the Transaction as perceived by the Company. The Questionnaire (Company) was submitted to the Company on September 3, 2025. Based on the Questionnaire (Company), at the Fifth Meeting held on September 10, 2025, the Committee conducted an interview with the Company and received explanations regarding its business situation and challenges, the synergies anticipated to result from the Transaction for the Company, the disadvantages of the Transaction, and the significance of the Transaction for the Company, and held a question-and-answer session.

④ From the Sixth Meeting held on October 1, 2025 to the Eleventh Meeting held on October 29, 2025, the Committee received explanations from Daiwa Securities and Plutus Consulting regarding the valuation of the Company Stock and related matters, and held question-and-answer sessions, respectively.

⑤ The Committee received reports at each Committee meetings or via email outside of Committee meeting dates on a timely basis, regarding the status of negotiations between the Company and the Offeror concerning the Tender Offer Price.

⑥ The Committee received advice from Daiwa Securities, Plutus Consulting, and AMT from time to time regarding matters such as the general practical responses in cases similar to the Transaction and procedures regarding the Transaction, and held question-and-answer sessions.

3-2. Limitations

There are the following limitations in preparing this Report and the Committee does not guarantee the completeness of the recommendations as made by this Report. When reviewing the Transaction by the Company, reference to this Report should be made with the understanding that there exist the below limitations.

(1) The Committee does not assume any responsibility whatsoever to a third party (including the Offeror; hereinafter the same in this (1)) concerning the Company's use of this Report regardless of whether the Committee approved the disclosure to a third party or the use by a third party.

(2) The recommendation by the Committee is based solely on the results of review of the Reviewed Materials and Hearings, Etc. only and the Committee has not independently collected materials unless otherwise expressly indicated in this Report.

(3) The Committee conducted its review on the premises of the following matters:

① The Reviewed Materials, information indicated in other documents provided to the Committee, and other information obtained in the course of Hearings, Etc. are true and accurate and no changes were made thereto as of the time of preparation of this Report.

② The officers and employees of the Offeror or its representatives had not been involved with the Company side in the procedures for negotiations and decision-making for the Transaction.

③ Among the Reviewed Materials, no significant changes, that may affect the conclusion of this Report, were made to their final versions from the versions which were submitted as drafts as of the date of their submission.

④ There are no significant errors in the materials that were the basis for calculation of the Tender Offer Price.

⑤ There exist no facts, information, or materials other than the Reviewed Materials and information obtained in the course of Hearings, Etc. that may affect the Committee's opinion.

Part4. The Committee's opinion to the Consultation Matters

1. The Transaction will contribute to the enhancement of the corporate value of the Company and its purpose is considered justifiable and reasonable.
2. The fairness and appropriateness of the terms and conditions of the Transaction (including whether the level of the consideration for the acquisition, the method of the acquisition, the type of consideration for the acquisition, and other terms and conditions of the Transaction are fair) are considered to be ensured.
3. Practical measures that contribute to ensuring the fairness of transaction terms (the "Fairness Ensuring Measures") equivalent to those in similar cases are implemented in the Transaction, and the procedures to secure the fairness of the terms and conditions of the Transaction is considered to be sufficiently taken.
4. Based on 1. through 3. above, implementing the Transaction is considered to be fair to the Company's ordinary shareholders.
5. It is considered appropriate for the Company's board of directors to express its opinion in

favor of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

Part5. Reasons of the Committee's opinion

1. The Committee's Policy in Reviewing the Transaction

(1) Conflicts of interest and asymmetry of information with respect to the Transaction

The Transaction is to be implemented by the Offeror (which is the parent company of the Company, and falls under the controlling shareholder of the Company) for the purpose of making the Offeror the sole shareholder of the Company, as a result of which the Company's Stock is expected to be delisted.

The Tender Offer in the Transaction falls under the tender offer where the Offeror is a controlling shareholder, and the Squeeze-out Process for the Transaction falls under the approval of share consolidation or demand for share cash-out in which the controlling shareholder is involved. Therefore, the Transaction falls under the transaction that requires the opinion of the special committee to be obtained regarding the fairness for ordinary shareholders (Article 441, Paragraph 1, main paragraph of the Securities Listing Regulations (Tokyo Stock Exchange) (the "Securities Listing Regulations")). Then, for the purpose of taking into account the impact on the ordinary shareholders of the Company, ensuring the fairness of the Tender Offer Price, and excluding arbitrariness and conflicts of interest in the decision-making process leading to the implementation of the Tender Offer, and ensuring fairness in such decision-making, the Committee was established as a voluntary panel to review and determine whether or not to implement the Tender Offer, the appropriateness of the terms and conditions of the transaction, and the fairness of the procedures.

(2) M&A disciplines that should be referred to when reviewing the Transaction

The M&A Guidelines suggest a desirable form of a fair M&A for Japan's corporate society mainly from the procedural perspective, regarding M&As where structural issues of conflicts of interest exist, mainly including so-called management buyout (MBO) and takeover of a controlled company by a controlling shareholder (M&A Guidelines 1.2 and 1.3). Further, from the fact that the M&A Guidelines are referred to in most recent court precedents concerning the judgement of fairness of an MBO and takeover of a controlled company by a controlling shareholder, and the fact that the concept of the M&A Guidelines is also followed in the Corporate Takeover Guidelines dated August 31, 2023, prepared by the METI for the purpose of presenting principles and best practices that should be shared

by the economic society toward fair rulemaking regarding M&A, with a focus on the behavior of parties involved in takeovers that acquire management control of listed companies, the M&A Guidelines are considered to have sufficient credibility as official views concerning the overall fairness of an M&A where structural issues of conflicts of interest may arise.

Based on the above, the fairness of the Transaction, which falls under the takeover of a controlled company by a controlling shareholder as described in (1) above, should also be reviewed from the perspective of whether the following two principles as required by the M&A Guidelines are satisfied or not:

① Enhancement of corporate value (whether the transaction is a desirable M&A should be judged based on whether this enhances corporate value)

② Ensuring the interests of ordinary shareholders through fair procedures (the interests that should be enjoyed by the ordinary shareholders should be ensured by conducting M&A through fair procedures)

Furthermore, in deciding whether ② is satisfied, it is beneficial to review from the basic perspectives given in the M&A Guidelines, i.e., (i) ensuring conditions that could be equated to transaction between independent parties in the process of forming the terms of the transaction and (ii) ensuring opportunities for ordinary shareholders to make appropriate decisions based on sufficient information (M&A Guidelines 2.4).

Furthermore, when specifically reviewing ②, it is effective to review how the measures given by the M&A Guidelines as Fairness Ensuring Measures (M&A Guidelines Chapter 3) are adopted and implemented in the Transaction, and then review whether appropriate measures were chosen that are suitable for the subject situation. In this regard, it is not necessarily required to adopt all measures given by the M&A Guidelines as indicated in the M&A Guidelines, and it is important to confirm that Fairness Ensuring Measures suitable in view of the actual circumstances of the Transaction are adopted and appropriately implemented (M&A Guidelines 3.1.2)

In relation to the above, the Tokyo Stock Exchange ("TSE") announced "Partial revisions to the Securities Listing Regulations, etc. related to revisions to the listing rules regarding MBOs and subsidiary conversions" and "Revisions to 'Guidebook for the Timely Disclosure of Corporate Information' in connection with partial revisions to the Securities Listing Regulations, etc. related to revisions to the listing rules regarding MBOs and subsidiary conversions" on July 7, 2025, and the revisions to the Securities Listing Regulations, etc. ("Revisions to Listing Regulations, Etc.") was enforced on July 22, 2025. As the Transaction is a tender offer by a controlling shareholder that will be decided after enforcement of the Revisions to Listing Regulations, Etc., "Matters to be Observed Pertaining to MBOs, etc." as set forth in Rule 441 of the Securities Listing Regulations are applicable, and it is subject to the application of the Revisions to Listing Regulations, Etc., and it is also necessary to

pay attention to the matters to be observed as set forth in the same article (specific matters to be observed will be stated in 4 below).

(3) Organization of the Consultation Matters and review method regarding the Transaction

Based on the foregoing, when organizing the Consultation Matters regarding the Transaction, Consultation Matter No.1 is a request to review whether the Transaction satisfies the criteria to enhance corporate value, which is considered as a consideration corresponding to (2) ① above).

In addition, Consultation Matter No.2 is a request to review whether the fairness and reasonableness of the terms and conditions of the Transaction are ensured. Furthermore, Consultation Matter No.3 is a request to review whether the interests of ordinary shareholders are ensured through fair procedures for the Transaction, which is considered as a consideration corresponding to (2) ② above).

Furthermore, Consultation Matters No.4 and No.5 are considered as requests to confirm the fairness of the Transaction overall and the opinion of the Company's board of directors towards the Tender Offer and by comprehensively taking into account Consultation Matters No.1 to No.3.

Therefore, the Committee reviews Consultation Matter No.1 in 2 below, Consultation Matter No.2 in 3 below, and Consultation Matter No.3 in 4 below, respectively, and, based on the foregoing reviews, the Committee will review Consultation Matter No.4 in 5 below and Consultation Matter No.5 in 6 below, respectively.

2. Enhancement of the Corporate Value, and Justifiability and Reasonableness of the Purpose (in relation to Consultation Matter No.1)

Consultation Matter No.1 questions whether the Transaction will contribute to the enhancement of the corporate value of the Company and the purpose of the Transaction is justifiable and reasonable.

The Committee considers whether the Transaction will contribute to the enhancement of the corporate value of the Company and whether the purpose of the Transaction is justifiable and reasonable in light of matters such as the Company's understanding of our business environment and management issues as well as synergies and other impacts from the Transaction.

(1) The Company's understanding of our current situation

A. The Company's outline and business activities

According to the Company's Opinion Press Release and the Hearings, Etc., the Company's outline and business activities are as follows:

- The Company was established as Showa Kogyo Co., Ltd. in December 1929 for the purpose of manufacturing products such as rubber belts. Subsequently, the corporate name was changed to Kabata Chotai (Belt) Co., Ltd. in January 1930, to Tokai Rubber Industries, Ltd. (using *kanji* (Chinese characters) for "Rubber" in the Japanese name) in October 1937, to Tokai Rubber Industries, Ltd. (changed *kanji* for "Rubber" in the Japanese name to *katakana* (Japanese characters)) in November 1961, and to Sumitomo Riko Company Limited, as it is known today, in October 2014.
- As of October 29, 2025, Sumitomo Riko Group consists of the Company, its 74 consolidated subsidiaries, and its seven equity method affiliates, and operates in the following segments: the Automotive Products Division, the General Industrial Products Division and the New Business Division.
- The Sumitomo Riko Group is promoting its business activities based on the "2025 Sumitomo Riko Group Mid-term Management Plan (2025P)" (the "Company's Mid-term Management Plan"), a three-year business plan released on May 30, 2023, with the aim of transforming itself into a "leading solution provider taking on social challenges by aggregating whole resources of Sumitomo Riko and its partners," as set out in the "2029 Sumitomo Riko Group Vision (2029V)" released on the same day.

B. The Company's understanding of business environment surrounding the Sumitomo Riko Group and its management issues

According to the Company's Opinion Press Release and the Hearings, Etc., the Company understands that the Company's business environment and management issues are as follows:

- The Sumitomo Riko Group recognizes that the uncertainty in the economic environment is further heightening, due to the complexly intertwined factors including the materialization of policy change risks following the election results in major countries, the prolonged geopolitical risks, the slowdown in the Chinese economy, and the risk of sharp exchange rate fluctuations resulting from changes in policy interest rates, in addition to the global trend toward the realization of a sustainable society and the drastic changes in the automobile industry, such as CASE (Note 1).
- Under these circumstances, the Sumitomo Riko Group is promoting its business

activities based on the Company's Mid-term Management Plan, and the policy is to enhance profitability and strengthen the management foundation by continuing to promote development of products that make full use of the Sumitomo Riko Group's core competencies in "polymer materials technology," which creates high-performance materials and produces high-value-added products based on the respective technologies of compound design, synthesis, and modification, and "comprehensive evaluation technology," which enables in-house evaluation and verification of the performance and reliability required for the products, expanding orders by leveraging the global production system, and cost reduction activities and overhead cost control.

- In addition, the Sumitomo Riko Group aims to achieve sustainable growth and realize a prosperous society together with its wide range of stakeholders by achieving the financial targets and promoting ESG management and management conscious of capital costs and stock prices.
- With regard to the development of new products, the Sumitomo Riko Group plans to strengthen the collaboration with its parent company, the Offeror, and promote the creation of synergies to an even greater extent than before.

(Note 1) This is a coined term that combines the initials of the important elements showing the future trend of the automotive industry: "Connected," "Autonomous," "Shared and Services," and "Electric."

C. Valuation of the Company's understanding

Nothing unreasonable is found in the Company's understanding of our business environment and management issues described above, and the Company's understanding is consistent with the general descriptions of the environment of the industry and market to which the Company belongs.

Therefore, measures that contribute to the solution to the business environment and management issues described above (including, but not limited to, M&As) generally contribute to the enhancement of the corporate value of the Company, although it is necessary to consider the risks and disadvantages of such measures on a case-by-case basis.

(2) Synergies expected from the Transaction

A. Synergies assumed by the Offeror

According to the Tender Offer Notification and the Hearings, Etc., the synergies of the Transaction assumed by the Offeror are as follows:

(i) Strengthening of research and development capabilities and new product development capabilities through the integration of technology and know-how

In terms of research and development capabilities, the Offeror believes that the Transaction will enable the promotion of research and development based on the Company's utilization of material technologies and fundamental technologies (such as AI, IoT, computational science, analysis technology, and security) of the Offeror, as well as accelerating joint research and development, and avoiding duplicate research.

In terms of intellectual property, the Offeror believes that the Transaction will enable it to share its global intellectual property management system and specialized departments, thereby enhancing the network and bargaining power necessary for the Company to acquire, defend, and enforce intellectual property rights. The Offeror believes that by combining its intellectual property know-how with the Company's core technology, development of new technical areas and establishment of technical advantages can be expected.

In terms of new product development capabilities, the Offeror intends to discover breakthroughs in synergies from new perspectives, such as modules that combine the Company's in-depth knowledge of materials, sensors, and other relevant products with heat-blocking, heat radiation, vibration control, and quietness by applying heat control and fluid control technology and other similar technology based on polymer material technology, which is one of the core competencies of the Company, with the Offeror's various products, and system products that integrate electric power and communication technologies, and create new businesses. The Offeror believes that, through further integration, development of new products not only by combining existing products but also by combining the basic technologies of both companies can be promoted.

Furthermore, in terms of businesses related to environmental measures, the Offeror aims for the establishment of recycle technology through the promotion of a circular economy (Note 2), and believes that combining the Company's anti-vibration business and chemical products business with the Offeror's electronics and info-communications business foundation will enable further development of environmental measures in the housing environment and infrastructure field.

(Note 2) Circular economy refers to an economic system that efficiently circulates resources to create a sustainable society, aiming for economic growth.

(ii) Mutual utilization of global business platforms (customers, production sites, and procurement networks)

While both the Offeror and the Company operate in the mobility sector and have a common business field, the Offeror also engages in a wide range of businesses within the info- communications sector and energy sector, and the Company is engaged in business in the General Industrial Products sector, infrastructure and housing environment sector, electronics sector, and healthcare sector. Therefore, the Offeror believes that mutual utilization of customer network and sales offices through the Tender Offer will enable both companies to acquire contact points with customers from different industries. The Offeror also believes that the two companies can deepen their relationships with existing customers through integrated proposals that combine the capabilities of both companies.

In terms of procurement, logistics, and manufacturing, the future of the business environment surrounding both companies is becoming more uncertain due to increasing political and geopolitical risks. As both the Offeror and the Company operate on a global scale, the Offeror believes that the mutual utilization of the logistics and procurement networks, production bases, and manufacturing facilities of both companies will diversify and provide multiple alternatives for the supply chain, ultimately strengthening resilience and thereby improving flexibility with regard to changes to the business environment. Further, the Offeror expects that maximization of economies of scale through joint purchasing from suppliers and other similar actions will reduce procurement costs.

Moreover, the Offeror believes that the improvement and optimization of the functions of indirect departments can be promoted through sharing knowledge, functions, locations, and resources between the administrative departments of the Offeror and the Company, unifying the accounting system, and utilizing human resource development programs and various shared services (Note 3).

(Note 3) Shared services refers to a management approach aimed at improving operational efficiency by consolidating the functions of indirect departments, such as human resources, accounting, and information systems, into a single organization.

(iii) Maximum utilization of human resources through the integration and exchange of teams and human resources

In the current relationship between the Offeror and the Company, which is a listed subsidiary, there are restrictions that require respect for the independence and autonomy of the Company as a listed company, while making efforts to avoid conflicts of interest between the Offeror, which is the parent company, and other ordinary shareholders. Due to this, the Offeror and the Company conduct hiring and human resources development independently and have certain limitations such as lack of personnel exchange. Accordingly, the Offeror believes that the Offeror Group, including the Company, has not completely optimized its management resources. The Offeror believes that by making the Company a wholly owned subsidiary of the Offeror through the Transaction, the sharing of know-how will accelerate through staffing and personnel exchange to appropriately respond to a business environment that requires the integration of knowledge across multiple fields, and that the development and proposal capabilities leading to differentiation from competitors will be strengthened, as described in (i) above.

In addition, the Offeror believes that it will be able to advance its existing efforts in various fields such as business management, technology, sales, production, and development, and further promote human resource exchanges without barriers, and that know-how regarding overseas expansion of business operations will be shared through the global business expansions of both companies, and that governance and risk management capabilities will be strengthened when expanding business globally for further future growth.

(iv) Strengthening risk management capabilities through mutual sharing of knowledge

By exchanging expertise accumulated by the Offeror and the Company to date with regard to business risks and various risks related to disasters, pandemics, and threats to information security, the Offeror and the Company are expected to build a more appropriate risk management system and improve the effectiveness of group management. Both the Offeror and the Company are engaged in business projects related to automotive parts, where a typical risk is that any quality issues with products and parts may lead to a loss of credibility and significant indemnification claims from clients.

Another characteristic of this business is the time required to stabilize operations after entering a new market. The Offeror expects that by further

sharing the experience, expertise, and know-how regarding local markets that each company has gathered in various countries and regions to date, as well as their relationships with business partners and customers, the Offeror and Company will collectively ensure better risk management to combat these risks and challenges and thereby facilitate more consistent global expansion.

B. The synergies expected by the Company

According to the Opinion Press Release and the Hearings, Etc., the synergies from the Transaction expected by the Company are as follows.

(i) Advancement of existing businesses and expansion into new markets through the integration of the technologies and customer bases of the Company and the Offeror Group

The Company believes that integrating the advanced technologies and intellectual property of the Offeror Group with the Company's polymer materials technology and comprehensive evaluation technology will accelerate the development of next-generation technologies. Consolidating research and development resources is expected to enhance product development speed, establish a system for rapidly bringing high-quality products to market, and also lead to the creation of new businesses. Furthermore, leveraging the Offeror Group's overseas network will enable responses tailored to regional needs, leading to anticipated expansion of market share and strengthening of the customer base in overseas markets. Through collaboration across business divisions, the Company expects enhanced proposal capabilities for existing customers and the ability to expand products and services to a new customer segment, thereby driving growth in the Company's sales revenue.

Furthermore, from the perspective of competitive advantage, combining the strengths of the Offeror Group and the Company enables the Company to provide integrated technical proposals encompassing material technology, thermal/electrical control technology, and mobility infrastructure design. Specifically, based on the polymer-materials technologies the Company have developed, such as rubber and resins, the Company will optimize characteristics including weight reduction, heat resistance, and vibration damping. By combining these with the thermal and electrical control technologies essential for electrification and autonomous driving (e.g.,

thermal management, insulation and conductivity control, sensing), the Company will enhance the efficiency and safety of various devices and systems. Furthermore, by applying mobility-infrastructure design technologies to the design of structures and systems that encompass not only vehicles but also social infrastructure, such as roads, bridges, and charging facilities, the Company will be able to offer comprehensive technical proposals. The Company believes that this unique integrated solution, unmatched by competitors, will strengthen the Company's mid-to-long-term proposal capabilities for domestic and international customers and further deepen partnerships in next-generation vehicle development.

(ii) Organizational revitalization through collaboration among individuals with diverse backgrounds and the development of next-generation human resources

Through personnel exchanges and shared training programs, etc. between the Offeror Group and the Company, the Company believes that the enhancement of expertise and the development of human resources will accelerate, primarily in the technical, sales, and administrative departments, thereby strengthening the organizational capabilities of the entire Group. The Company believes that the Offeror's acquisition of the Company as a wholly-owned subsidiary through the Transaction will enhance the Company's organizational stability. This will not directly impact employee employment or existing business relationships. Rather, the Company believes that integrated management as part of the Offeror Group will expand growth opportunities, contribute to employee career development, and deepen relationships with business partners.

(iii) Improving operational efficiency and optimizing resources through the integration of indirect functions and management foundations

By leveraging the Offeror Group's expertise in corporate functions, marketing, quality control, etc. to streamline the Company's indirect departments, the Company can achieve optimal allocation of management resources. Specifically, the Company believes that sharing purchasing information and integrating procurement management within the Offeror Group will reduce raw material and logistics costs while optimizing production and supply systems. Furthermore, integrating IT infrastructure and digital tools will enhance overall operational efficiency from design through production, sales, and customer service, thereby accelerating innovation. The Company also believes that unification of the Offeror

Group's group strategy will enhance brand recognition and trust across each business domain, thereby strengthening the Company's competitive position in the market.

Furthermore, due to the tightening of the Corporate Governance Code and the TSE's market restructuring, etc., the systems and operational burdens necessary to maintain the Company's listing have been expanding and increasing year by year. The Company believes that the privatization of the Company by the Offeror will reduce the management and disclosure burden costs associated with maintaining the Company's listing, enabling the Company to concentrate management resources on growth investments and also promising faster decision-making. Consequently, the Company believes that through strategic integration within the Group, the Company's business portfolio will be optimized, enabling the concentrated allocation of management resources to growth areas, thereby achieving sustainable growth.

C. Reasonableness of the synergies expected and the comparison between the synergies expected by the Offeror and the Company

The content of the synergies expected as described above does not appear to contain any mutually contradictory points or points that clearly contradict objective facts, and is considered reasonable.

D. Comparison with other methods

Furthermore, from another perspective, if the Company can realize each of the aforementioned synergies without delisting, and if a feasible alternative transaction to the Transaction is under consideration, the reasonableness for the Transaction associated with delisting would be diminished.

However, according to the Offeror and the Company, each of the aforementioned synergies would be difficult to achieve while maintaining the Company's listing status due to the fact that under the current circumstances where both the Offeror and the Company operate as independent listed companies, there are certain limitation on sharing information, management resources, personnel, know-how, and other assets, and that it is recognized that further integration of operations based on the current capital relationship faces certain constraints, and there appears to be no unreasonable aspect to this explanation. Furthermore, during the Hearings, Etc., the Committee confirmed with the

Offeror and the Company whether any alternative transactions to the Transaction existed in the opinion of the Company. The Committee received responses that the Transaction represents a method allowing for immediate cash conversion with a sufficient premium based on the Company's stock price, thereby providing an appropriate and reasonable sale opportunity for the general shareholders, and that no specific consideration has been given to any feasible alternative transactions to the Transaction.

E. Other impacts of the Transaction

According to the Opinion Press Release and the Hearings, Etc., should the Company's Stock be delisted as a result of the Transaction, the disadvantages associated with delisting generally include: (i) impact on the method of raising funds through equity financing from capital markets, (ii) concerns regarding securing outstanding human resources due to the enhanced social credibility and increased visibility the Company has enjoyed as a listed company, and (iii) potential impact on stakeholders such as shareholders, employees, and business partners.

However, regarding (i), while the Company does not currently anticipate the need for equity financing from capital markets, its sound financial foundation to date means this will not impact its ability to raise funds. Even if the need for financing were to arise, financial assistance can be expected from the financially strong Offeror Group.

Regarding (ii), it is considered that the impact of delisting, including effects on recruitment activities, can be limited by leveraging the social credibility and funding capabilities, etc. held by the Offeror Group.

Regarding (iii), through our business activities to date, we have already secured a substantial business foundation, including a certain level of brand power, name recognition, and credibility, etc. Even after going private, the Offeror intends to accelerate collaboration between the Offeror and the Group to steadily realize synergies, expedite decision-making, and pool all resources to further enhance the Group's corporate value. In addition, regarding matters such as optimizing management resources and reallocating them for overall optimization to enhance corporate value, the Offeror intends to deliberate on these matters in full consultation with the Company's management team. Considering that discussions will be held between the Offeror and the Company after the completion of the Tender Offer, aiming to establish appropriate governance that respects the Company's uniqueness and a structure that maximizes the realization of synergies as part of the Offeror Group, it is believed that the Company going private through the Transaction will be acceptable without issue to the Company's shareholders, employees, business partners, and other stakeholders.

(3) Summary

Based on the above facts, the synergies expected from the Transaction are reasonable, and there are no contradictions or discrepancies between the assumptions of the Offeror Parties and the Company's assumptions. Therefore, the execution of the Transaction is deemed to contribute to resolving the management issues recognized by the Company.

Furthermore, the reasons explained for why the Transaction should be used rather than other methods, such as bold business transformation while maintaining the Company's listing, privatization, share consolidation, or share exchange through M&A with other partners, are also deemed reasonable, and it is considered appropriate to use the Transaction. In addition, there are no circumstances that would constitute a significant obstacle to the enhancement of the corporate value of the Company through the Transaction.

Therefore, the Transaction, including the Tender Offer, will contribute to the enhancement of the corporate value of the Company and the purpose of the Transaction is justifiable and reasonable.

3. Fairness and reasonableness of transaction terms (in relation to Consultation Matter No.2)

Consultation Matter No. 2 questions whether fairness and reasonableness are ensured with respect to the terms in the Transaction (including whether or not the level of acquisition consideration, the acquisition method and the types of acquisition consideration, as well as other terms of the Transaction are fair).

In considering the reasonableness of the terms in an M&A, it is important ① to ensure that in discussions and negotiations of transaction terms with an acquiring party, reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders, while also increasing corporate value, ② to confirm the contents of the stock price valuation, which is an important basis for judging the rationality of transaction terms, and the rationality of financial forecasts, assumptions and other factors which are the premises for such valuation, and ③ to examine not only the level of the acquisition consideration but also the reasonableness of both the acquisition method and types of acquisition consideration (M&A Guidelines 3.2.2).

In addition, as the specific details of ② above, the M&A Guidelines state that it is advisable to evaluate, in addition to valuation results by an independent third party valuation advisor with expertise, the positioning and feasibility of the business plan on which the valuation was based, the characteristics of the valuation methodologies used, the level of premiums generally paid in similar M&A transactions, the value that can be realized without

such M&A transaction, the expected increase in corporate value created by such M&A transaction (M&A Guidelines 3.3.2.1B)). Similarly, as the specific details of ③ above, the M&A Guidelines state that it is advisable to evaluate the existence and nature of alternative transactions (M&A Guidelines 3.3.2.1B)).

Therefore, the Committee also considered the fairness and reasonableness of the terms in the Transaction as per ① to ③ above based on the matters pointed out in the M&A Guidelines.

(1) Ensuring negotiation circumstances

A. Negotiation policy and perspective

The Company and the Committee confirmed that, based on advice from each advisor and the results of the estimated share value of the Company's Stock, they will conduct discussions and negotiations with the Offeror based on the fundamental policy of (a) setting the Tender Offer Price at the price approved in the Share Valuation Report to be obtained by the Company and the Committee, and (b) ensuring that the amount is as favorable as possible for the general shareholders.

The M&A Guidelines also point out that while (a) "value that can be realized without executing the M&A transaction" should be enjoyed by all shareholders, including general shareholders in accordance with the number of shares held by such shareholders, on the other hand, with respect to "value that cannot be realized without executing the M&A transaction", although general shareholders will be squeezed out by the transaction, it is fair that general shareholders should also enjoy an appropriate portion of such value (M&A Guidelines 2.2.1).

Therefore, the Committee, taking into account the above pointed out in the M&A Guidelines, proceeded with negotiations with the Offeror based on the fundamental policy for discussions and negotiations with the Offeror as confirmed above.

B. The course of the negotiations

The Company conducted multiple rounds of negotiations with the Offeror regarding the Tender Offer Price on and after September 29, 2025. The specific course of these negotiations is as follows.

① The Company received a proposal from the Offeror regarding the Transaction to set the Tender Offer Price at 2,300 yen per share on September 29, 2025, based

on the assumption that no year-end dividend will be paid for the fiscal year ending March 2026 (the price adding each of the following: a premium of 2.68% over the closing price of 2,240 yen per share of the Company's Stock on the Prime Market of the TSE on September 26, 2025, the business day preceding the proposal date (rounded to the nearest hundredths; the same applies to the calculation of the premium rate below), a premium of 3.42% over the simple average closing price of 2,224 yen for the preceding month (rounded to the nearest yen; the same applies to the simple average closing price below), a premium of 15.23% over the simple average closing price of 1,996 yen for the preceding three months, and a premium of 27.78% over the simple average closing price of 1,800 yen for the preceding six months).

② In response, the Company, having obtained the approval of the Committee, requested on October 1, 2025, that the Offeror reconsider the Tender Offer Price, stating that it fell below the price level reflecting the Company's fundamental value.

③ Subsequently, on October 7, 2025, the Company received a proposal from the Offeror that, after careful consideration of the Tender Offer Price, the Offeror would like to re-propose a price of 2,400 yen (the price adding the following: a premium of 9.24% over the closing price of 2,197 yen for the Company's Stock on the Prime Market of the TSE on October 6, 2025, the business day preceding the proposal date, a premium of 7.91% over the simple average closing price of 2,224 yen for the preceding month, a premium of 17.42% over the simple average closing price of 2,044 yen for the preceding three months, and a premium of 31.58% over the simple average closing price of 1,824 yen for the preceding six months).

④ On October 8, 2025, the Company requested a reconsideration of the Tender Offer Price, stating that, considering the trend of the Company's stock price and the premium levels in other similar cases, the Tender Offer Price was far from a level at which the Company could approve the Transaction and still did not adequately reflect the Company's fundamental value.

⑤ In response to this request, on October 14, 2025, the Company received a response from the Offeror stating that, after careful reconsideration of the Tender Offer Price, the Tender Offer Price should be set at 2,480 yen (the price adding the following: a premium of 17.87% over the closing price of 2,104 yen for the Company's Stock on the Prime Market of the TSE on October 10, 2025, the business day preceding the proposal date, a premium of 12.37% over the simple average closing price of 2,207 yen for the preceding month, a premium of 19.63%

over the simple average closing price of 2,073 yen for the preceding three months, and a premium of 34.05% over the simple average closing price of 1,850 yen for the preceding six months).

⑥ On October 15, 2025, the Company determined that the price offered did not sufficiently reflect the Company's fundamental value when compared to the share valuation currently being conducted by the financial advisor appointed by the Company and the Committee, and that it believed that the price does not constitute fair and reasonable economic terms for the minority shareholders of the Company. Furthermore, regarding the Company's current stock price, the Company perceived it as a result of the market appropriately reflecting the fundamental value that incorporates the Company's performance and future growth potential, including the dissipation of market uncertainty related to tariff policies. In addition, having examined the premium levels in comparable cases, not only comparing them to going-private cases involving the acquisition of wholly-owned subsidiaries but also including cases under circumstances similar to this case, the Company and the Committee deemed that even when compared to the premium levels in such cases, the proposed Tender Offer Price still did not reach a level that the Company can agree to for the Transaction. Therefore, the Company requested a re-proposal of the Tender Offer Price.

⑦ In response to this request, on October 20, 2025, the Company received a revised proposal from the Offeror stating that it could not be denied that the recent rise in the price of the Company's Stock was likely formed in response to the rise in the Japanese stock market rather than a change in the Company's fundamental value, and that, under these circumstances, it considered it inappropriate to evaluate the premium of the Tender Offer based on comparisons with other companies' cases. Accordingly, the Offeror proposed setting the Tender Offer Price at 2,510 yen (which represents a premium of 19.47% on the closing price of 2,101 yen of the Company's Stock on the Prime Market of the TSE as of October 17, 2025, the business day prior to the day on which this proposal was made; 15.56% on the simple average closing price of 2,172 yen for the previous month up to the same date; 19.64% on the simple average closing price of 2,098 yen for the previous three months up to the same date; and 33.80% on the simple average closing price of 1,876 yen for the previous six months up to the same date).

⑧ On October 22, 2025, the Company stated that the reproposed Tender Offer Price still did not fully reflect the Company's intrinsic value and was not at the level to which the Company could agree, compared to the premium level in other similar cases, and therefore, that the Offeror reconsider the Tender Offer Price, taking

into consideration synergies to be generated by implementing the Transaction and the distribution of such synergies.

⑨ Based on such request, the Offeror carefully considered the Tender Offer Price again. On October 24, 2025, the Offeror made another proposal to the Company and the Special Committee, which set the Tender Offer Price at 2,550 yen (which represents a premium of 14.61% on the closing price of 2,225 yen of the Company's Stock on the Prime Market of the TSE as of October 23, 2025, the business day prior to the day on which this proposal was made; 17.95% on the simple average closing price of 2,162 yen for the previous month up to the same date; 20.51% on the simple average closing price of 2,116 yen for the previous three months up to the same date; and 34.28% on the simple average closing price of 1,899 yen for the previous six months up to the same date).

⑩ On October 27, after careful deliberation by the Company and the Committee, the Company concluded that, taking into account (i) a comparison with premium levels in comparable transactions, (ii) the fair distribution to ordinary shareholders of synergies expected to arise from the Transaction, and (iii) a price level that reflects the Company's intrinsic value, the proposed tender offer price remains insufficient for the Company to endorse the Transaction or to recommend that the Company's ordinary shareholders tender their shares. In particular, although the Offeror's proposal contends that the price represents an adequate premium over the simple average closing price of the Company for the most recent six-month period, excluding reliance on the recent upward movement in the Company's share price, the Company believes the recent rise in its share price was not driven by the general rise in the stock market, but rather reflects recognition of the Company's fundamental strengths and earnings power. Accordingly, the Company considers that premiums relative not only to the six-month average but also to the one-month and three-month average closing prices should be taken into account, and, also considering the expectations of market participants including the Company's ordinary shareholders regarding the economic terms of the Transaction, has requested reconsideration of the Tender Offer Price.

⑪ In response to this request, on October 28, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,600 yen. As a result, on October 29, 2025, the Company notified the Offeror that it would accept the Offeror's proposal and reached an agreement to set the Tender Offer Price at 2,600 yen (representing a premium of 13.34% over the closing price of the Company's Stock of 2,294 yen on the Prime Market of the TSE on October 27, 2025, which

is the business day immediately preceding the proposal date; a premium of 20.31% over the simple average closing price of 2,161 yen for the past one month ending on the said date; a premium of 22.12% over the simple average closing price of 2,129 yen for the past three months ending on the said date; and a premium of 36.13% over the simple average closing price of 1,910 yen for the past six months ending on the said date).

Throughout the above negotiation process, the Committee convened meetings each time the Offeror submitted the aforementioned price proposals ①, ③, ⑤, ⑦, ⑨, ⑪. After receiving detailed explanations regarding each proposal from the Company and Daiwa Securities, the Committee reviewed the estimated share value results for the Company's Stock provided by Daiwa Securities and Plutus Consulting, the premium levels of each proposed price, premium levels in comparable transactions, and advice, etc. from each advisor. The Committee expressed opinions on the content and method, etc. of responses to each proposal to ensure the Tender Offer Price was as favorable as possible for the general shareholders, and approved the content and method, etc. of responses reflecting these opinions, thereby substantially participating in the price negotiations. Furthermore, the Company responded to each price proposal in accordance with the content and method, etc. approved by the Committee as described above.

C. The evaluation of the course of the negotiations

The course of the negotiations regarding the Tender Offer Price is as described in A. and B. above. The Company maximally respected the Committee's opinions in price negotiations by either responding based on content discussed and approved by the Committee in advance or responding in accordance with negotiation policies predetermined by the Committee. Price negotiations were consistently conducted with the Committee substantially involved throughout the entire negotiation process with the Offeror.

The above negotiation process is precisely what the M&A Guidelines recommend. That is, the special committee confirming the negotiation strategy in advance, obtaining timely reports on the negotiation status, and at important junctures rendering opinions, instructions, or requests (M&A Guidelines 3.2.4.4)

Furthermore, following the above negotiation process, after the Offeror made an initial proposal of 2,300 yen, the Company secured 5 rounds of price increase, resulting in a final Tender Offer Price of 2,600 yen, an increase of 300 yen from the initial proposal.

As described above, the Committee was substantially involved in the price negotiations

using the methods recommended in the M&A Guidelines, and as a result of the Company conducting the price negotiations with the utmost respect for the Committee's opinions, a significant increase was made from the initial proposal price, and as described in (3) below, the Tender Offer Price exceeds the upper limit calculated by the market share price method in the Share Valuation Report and falls within the range of the valuation results from the comparable company method and the discounted cash flow method (the "DCF Method"). Considering these points, it is recognized that negotiations were conducted aiming to set the Tender Offer Price at a level approved in the Share Valuation Report, and to make the Tender Offer Price as favorable as possible for the general shareholders, as per the policy confirmed by the Company and the Committee.

Therefore, it can be evaluated that during the course of discussions and negotiations with the Offeror regarding the terms of the Transaction, a situation was ensured where reasonable efforts were made to achieve an M&A transaction that would enhance corporate value while securing the most favorable terms possible for the general shareholders.

(2) Relation between the share price calculation and the Tender Price Offer

A. Rationality of business plan

The Share Valuation Reports will be the main materials for considering the fairness and reasonableness of the Tender Offer Price. Since the Share Valuation Reports are based on the Business Plan prepared by the Company, the issue lies in whether the Business Plan used as the basis for the calculation results are credible. In particular, since the Business Plan has been completed after the possibility of implementing the Transaction has been specifically recognized, it is necessary to pay attention to the fact that the Business Plan may be easily arbitrarily interfered with a view to affect the success or failure of the Transaction.

According to the Opinion Press Release and the Hearings, Etc., the Business Plan covers five fiscal years, from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030, a time span the Company currently deems reasonably foreseeable for forecasting purpose based on the automobile production schedules of each major customer. In developing the Business Plan, the Company has assumed that, despite the effect of high U.S. tariffs, part of the impact can be offset by passing costs on to its automaker customers, and that profitability will be secured through electrification-related new product development, targeted cost reductions and tighter expense management. Any synergies expected to be realized through the implementation of the Transaction are not

reflected in the Business Plan, as it is difficult to specifically estimate at this stage. The Business Plan does not significantly deviate from the consolidated financial forecast for the fiscal year ending March 31, 2026, announced by the Company on July 30, 2025. Furthermore, the Business Plan does not include any fiscal years in which significant increases or decreases in profit are anticipated, nor does it include any fiscal years in which significant increases or decreases in free cash flow are anticipated.

No fact of the Offeror or their interested persons having been involved in or having affected the preparation of the Business Plan may be gathered from the Hearings, Etc. In addition, while the Company has provided the Offeror with certain explanations regarding the Business Plan during negotiations with the Offeror, no fact of there having been any formulations or revisions made at the Offeror's instruction or intentions may be gathered.

Furthermore, based on the responses to the Hearings, Etc., the Committee confirmed that there are no unreasonable aspects in the content, assumptions, or development process, etc. of the Business Plan, and that the Business Plan has not been formulated in an arbitrarily aggressive or conservative manner.

Based on the above, the process for drawing up the Business Plan were not found to have been applied pressure by the Offeror, and the details of the Business Plan are not found to constitute unreasonable forecasts.

B. Reasonableness of the method of and basis for calculation

(a) Selection of the calculation method

After considering which valuation methods should be adopted from among multiple share valuation techniques for determining the value of the Company's Stock, and based on the view that it is appropriate to evaluate the value of the Company's Stock from multiple perspectives under the assumption that the Company is a going concern, Daiwa Securities and Plutus Consulting adopted the market share price method, comparable company method, and DCF method respectively for the following reasons.

- Market share price method: that the Company's Stock is listed on the Prime Market of the TSE and the Premier Market of the NSE, and market share prices exist
- Comparable company method: that the Company has multiple comparable listed companies, making it possible to infer share value through a peer group comparison
- DCF method: that the future state of business activities are reflected in share valuation

The above valuation methods are commonly used in determining share value for transactions similar to the Transaction, and no unreasonable aspects were identified in the

reasons for adopting each valuation method. Therefore, no unreasonable aspects are identified in the two valuators using the above valuation methods to determine the share value of the Company's Stock.

(b) Reasonableness of the calculation details

① Market share price method

Daiwa Securities and Plutus Consulting adopted the closing price on the reference date of October 29, 2025, along with the simple average closing prices for the preceding month, preceding three months, and preceding six months in the market share price method. The adoption of these values is common practice in the market share price method, and no unreasonable aspects were identified in the calculation performed under this method.

② Comparable company method

Daiwa Securities selected Toyoda Gosei Co., Ltd., NOK Corporation, Eagle Industry Co., Ltd., Nishikawa Rubber Co., Ltd., and Fukoku Co., Ltd. as comparable listed companies deemed similar to the Company. It then calculated the per-share equity value of the Company using a multiple of enterprise value relative to EBITDA.

In addition, Plutus Consulting selected Toyoda Gosei Co., Ltd., NOK CORPORATION, Toyo Tire Corporation, Nitta Corporation, FUKOKU Co., Ltd., The Yokohama Rubber Co., Ltd., and NICHIRIN CO., LTD. as comparable listed companies deemed similar to the Company. It then calculated the per-share equity value of the Company using a multiple of enterprise value relative to EBITDA.

No unreasonable points were identified in the explanations provided by both valuators regarding the procedures for selecting comparable listed companies, the comparative metrics adopted, and the basis for calculating the multiples.

③ DCF method

(i) Daiwa Securities' calculation using the DCF method

Daiwa Securities has set the discount rate at 8.5% to 9.5%, and no unreasonable aspects were identified in the calculation basis, etc. for these figures.

In calculating the going concern value, Daiwa Securities adopted both the multiples model and the constant growth model. Under the multiples model,

selecting the same comparable companies as in the comparable company method, the corporate value-to-EBITDA multiple of 4.0x to 5.5x was applied, resulting in a going concern value of 327.5 billion yen to 450.3 billion yen. Under the constant growth model, taking into account domestic and international inflation rates and the growth rate of the industry in which the Company operates, the perpetual growth rate of 0.0% to 2.0% was assumed, resulting in a going concern value of 323.7 billion yen to 433.1 billion yen. No unreasonable aspects were identified in the selection of these calculation methods and comparison metrics, basis for calculating the same, or the underlying reasoning, etc.

Furthermore, no unreasonable aspects were identified in the calculation process and assumptions used in the other DCF methods.

Based on the above, no unreasonable points were identified in Daiwa Securities' calculation using the DCF method.

(ii) Plutus Consulting's calculation using the DCF method

Plutus Consulting has set the discount rate at 9.4% to 11.1%, and no unreasonable aspects were identified in the calculation basis, etc. for these figures.

In calculating the going concern value, Plutus Consulting adopted both the constant growth model and the magnification model. The constant growth rate was set at 0% taking into account the long-term economic environment, etc. that may be theoretically anticipated. No unreasonable aspects were identified in the selection of these calculation methods and comparison metrics, basis for calculating the same, or the underlying reasoning, etc.

Furthermore, no unreasonable aspects were identified in the calculation process and assumptions used in the other DCF methods.

Based on the above, no unreasonable points were identified in Plutus Consulting's calculation using the DCF method.

(c) Differences in the share valuation between Daiwa Securities and Plutus Consulting

Differences exist in the share valuation performed by Daiwa Securities and Plutus Consulting as described in (a) and (b) above, specifically in the selection of comparable listed companies under the comparable company method, the method for calculating the going concern value under the DCF method (including whether to adopt the magnification model, etc.), etc..

However, the Committee has received explanations from Daiwa Securities and Plutus Consulting that these are all reasonable differences arising from the

professional judgment exercised by both valuators in their calculations, and do not constitute circumstances that would cast doubt on the reasonableness of the share valuation performed by both valuators.

(d) Summary

Based on the above verification, the Committee has evaluated that the Share Valuation Reports prepared by Daiwa Securities and Plutus Consulting contain no unreasonable points and are credible.

C. Results of share valuation

According to the Share Valuation Report (Daiwa Securities) prepared by Daiwa Securities, the share value of the Company's Stock based on each valuation method is set forth in Table 1 below:

<Table 1: Share Value of Company's Stock Calculated by Daiwa Securities>

Calculation Method	Reference Date	Share Value Per Share
Market share price method	October 29, 2025	1,916 yen – 2,160 yen
Comparable company method	October 29, 2025	1,768 yen – 3,672 yen
DCF Method	October 29, 2025	2,040 yen – 3,005 yen

According to the Share Valuation Report (Plutus Consulting) prepared by Plutus Consulting, the share value of the Company's Stock based on each valuation method is set forth in Table 2 below:

<Table 2: Share Value of Company's Stock Calculated by Plutus Consulting >

Calculation Method	Reference Date	Share Value Per Share
Market share price method	October 29, 2025	1,916 yen – 2,160 yen
Comparable company method	October 17, 2025	2,411 yen – 3,689 yen
DCF Method	October 17, 2025	2,326 yen – 2,800 yen

Based on the above calculation results, the Tender Offer Price of 2,600 yen per share is a price that exceeds the upper limit of the valuation range of the per-share value of the Company's Stock calculated using the ① market share price method, falls within the valuation range of the per-share value of the Company's Stock calculated using the ②

comparable company method and the ③ DCF Method, and is above the median of the result of the valuation using the DCF Method by Daiwa Securities (2,523) and the median of the result of the valuation using the DCF Method by Plutus Consulting (2,563 yen).

Additionally, the Company obtained the Fairness Opinion (Daiwa Securities) dated October 29 2025, stating that the Tender Offer Price of 2,600 yen per share is fair to the Company's shareholders, excluding the Offeror and its affiliates, from a financial point of view. The Committee obtained the Fairness Opinion (Plutus Consulting) dated October 29 2025, stating that the Tender Offer Price of 2,600 yen per share is fair to the Company's general shareholders from a financial point of view. These facts can also be evaluated as supporting the fairness of the Tender Offer Price (M&A Guidelines 3.3.2.2).

In light of the foregoing, we believe that the Tender Offer Price reaches a level that is not disadvantageous to the general shareholders when compared with the share value of the Company's Stock as calculated by Daiwa Securities and Plutus Consulting.

D. Positioning of the Tender Offer Price

According to the Hearings, Etc., the Tender Offer Price is the amount obtained by adding the premium, as set forth in Table 3 below, to the closing price of the Company's Stock on the Prime Market of the TSE up to October 29, 2025.

According to the Hearings, Etc., compared with 13 reference cases (the "Reference Cases") of tender offers by parent companies aimed at taking listed subsidiaries private that were announced on or after June 28, 2019 (excluding two-step tender offers and unsuccessful cases) and whose purchase amounts were at least 100 billion yen, the distribution of premium rates, viewed in 10% increments, is as follows: the premium rates over the simple average closing prices for the one-month, three-month and six-month periods ending on the reference date have a mode of 20%–<30% (five cases for each of the one-month, three-month and six-month periods), while the premium rate over the closing price on the reference date has a mode of 10%–<20% (four cases). In addition, because the mean and median of the premiums over the six-month simple average closing price in the Reference Cases are 30.66% and 28.55%, respectively, and the premium attached to the Tender Offer Price exceeds those figures, the premium offered in the Tender Offer can be regarded as at least no less favorable than the premiums in the Reference Cases. However, it is not possible to establish a single, objective standard for determining the appropriate amount of premium on share prices in tender offers (M&A Guidelines 2.2.2).

<Table 3: Premiums on the Tender Offer Price>

Reference Price	Share Price	Premium
Closing price as of the business day immediately preceding the announcement date	2,156 yen	20.59%
Average closing price for the preceding one month	2,160 yen	20.37%
Average closing price for the preceding three months	2,139 yen	21.55%
Average closing price for the preceding six months	1,916 yen	35.70%

E. Summary

The Tender Offer Price, as described above, exceeds the upper limit of the per-share value range calculated for the Company's Stock using the market share price method in the share valuation conducted by Daiwa Securities and Plutus Consulting, falls within the per-share value range calculated for the Company's Stock using the comparable company method and DCF method, and is above the median of the result of the valuation using the DCF Method by Daiwa Securities (2,523) and the median of the result of the valuation using the DCF Method by Plutus Consulting (2,563 yen). In addition, the Company and the Committee have obtained the Fairness Opinions. Furthermore, the Tender Offer Price exceeds the Company's historical closing prices since listing and the intraday high of 2,455 yen (the intraday high recorded on September 25, 2007). Therefore, the level of the Tender Offer Price cannot be considered unreasonable.

Furthermore, from the perspective of comparing premiums with similar cases, the premium attached to the Tender Offer Price is judged to be at a level comparable to the modal premium rates in the Reference Cases for the reference-date closing price and the one-month and three-month simple average closing prices. In addition, because the premium attached to the Tender Offer Price exceeds the mean and median of the premiums over the six-month simple average closing price in the Reference Cases, the premium offered in the Tender Offer can be regarded as at least no less favorable than the premiums in the Reference Cases.

Furthermore, given that the Tender Offer Price is deemed to represent a substantial premium over the standalone equity value of the Company's Stock, it can be deemed that due attention has been paid in the Transaction to the points set forth in the M&A Guidelines, which state that general shareholders should receive (a) the entire value that can be realized without an M&A transaction and (b) an appropriate portion of the value that cannot be realized without an M&A transaction (M&A Guidelines 2.2.1).

In view of the foregoing circumstances, we believe that the Tender Offer Price appropriately reflects the share value of the Company's Stock and is not at a level that would undermine its reasonableness.

(3) Reasonableness of the scheme, etc.

The Transaction is expected to be implemented in two steps: first, through the tender offer, and second, through the squeeze-out process. It is not anticipated to be implemented by means of a share exchange or other form of organizational restructuring. The method of the Transaction is one generally employed for this type of going-private transaction and enables a petition to be made to the court for the determination of the sale price and the determination of the share price following a request for the purchase of shares in any of the second-step procedures.

In addition, considering that the consideration to be received by the shareholders is cash, the method of this Transaction is desirable, since such consideration is easy to understand and its value is highly stable and objective. From the perspective of expeditiously making the Company a wholly-owned subsidiary and ensuring that minority shareholders and others have the opportunity and time to make an fully informed and appropriate decision, this method is also preferable to a share exchange or other organizational restructuring in which shares or other forms of considerations are used. The Tender Offer Notification clearly states that the amount of money to be delivered to the Company's shareholders as consideration upon the Squeeze-out Process will be calculated so that it equals the amount obtained by multiplying the Tender Offer Price by the number of the Company's Stock held by each shareholder (excluding the Offeror and the Company).

Furthermore, no upper limit has been set on the number of shares to be purchased in the Tender Offer, and the issue of coerciveness is also considered minimal.

In light of the foregoing, it is reasonable to adopt a two-step acquisition method involving a tender offer, utilizing cash as the consideration for the acquisition (M&A Guideline 3.2.2).

(4) Summary

As stated in (1) through (3) above, the Tender Offer Price is deemed appropriate in light of the status of negotiations regarding the Transaction and the fairness/reasonableness of the scheme, among other factors. Furthermore, the fairness/reasonableness of the terms and conditions of the Transaction, including the Tender Offer, is ensured because general shareholders are guaranteed to receive the same amount of consideration as the Tender Offer Price, regardless of whether such consideration is received through the Tender Offer or the Squeeze-out Procedure.

4. The fairness of the procedures (In relation to Consultation Matter No.3)

Next, the Committee will examine whether it is acceptable to ensure the fairness of the

procedures relating to the Transaction by confirming the status of adoption and operation of the Fairness Ensuring Measures referred to in the M&A Guidelines.

(1) Establishment of the special committee and procurement of written report from the said committee

The Committee is consulted on the matters set forth in Part 2 above from the Company, and in considering such matters, the Committee has been implementing the role that it should play under the M&A Guidelines (specifically, ① to examine and judge the necessity of M&A from the perspective of whether it contributes to the enhancement of the target company's corporate value, and ② to examine and judge (i) the reasonableness of the terms and conditions of the transaction and (ii) the fairness of the procedures, from the perspective of pursuing the interests of the general shareholders) (M&A Guidelines 3.2.2).

Furthermore, under the Securities Listing Regulations following the Revisions to Listing Regulations, etc., when a controlling shareholder conducts a tender offer, the target listed company is required to obtain an opinion from the special committee regarding whether the tender offer is fair to the general shareholders. This opinion must address: ① the merits of the transaction (whether it contributes to enhancing corporate value), ② the fairness of the transaction terms (whether the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration, and other transaction terms are fair), and ③ the fairness of the procedures (whether sufficient procedures have been implemented to ensure the fairness of the transaction terms) (Article 441, Paragraph 1 of the Securities Listing Regulations; Article 436-3, Paragraph 2 of the Ordinance for Enforcement of the Securities Listing Regulations). As described in Sections 2., 3., and this Section 4., the Committee has conducted its review and determination regarding the matters listed in ① to ③ above, which it is required to review and determine under the Securities Listing Regulations, etc.

The Committee is considered to be functioning effectively as the Fairness Ensuring Measures since it has been operated in the ways described in the following points. This corresponds to the above item ③.

① After receiving the Written Proposal from the Offeror on July 7, 2025, the Committee was established on the 30th of the same month, and the First Meeting was held on the same date. The Committee was established as soon as possible after receiving the acquisition proposal from the acquirers (M&A Guidelines 3.2.4.1).

② The Committee is comprised of three independent outside directors and three independent outside auditors, and it was confirmed that each member is independent from the Offeror, and the success or failure of the Transaction (M&A Guidelines 3.2.4.2 B)a) and b)).

③ The Committee confirms that it is authorized to be substantially involved in the negotiation process regarding the terms and conditions of the Transaction by confirming the policies in advance regarding the negotiation on the terms and conditions of the Transaction, receiving timely reports on the status thereof, expressing its opinions at important points, and giving instructions and requests, and thereby ensures that the Committee is substantially affecting the negotiation process with respect to the transaction terms (M&A Guidelines 3.2.4.4).

④ The Committee is authorized to select its own advisors, etc. from the Company's board of directors, or to appoint or approve the advisors, etc. of the Company as the advisors, etc. of the Committee (including post approval), and is given the authority to seek expert advice from the advisors, etc. of the Company if the Committee decides that it can seek their expert advice, for example, in cases where such advisors have high levels of expertise and there are no issues with respect to their independence. In the First Meeting held on July 30, 2025, (i) Daiwa Securities, the financial advisor and third-party valuator of the Company, was approved as the financial advisor and third-party valuator of the Company after confirming that there were no issues with its independence and expertise, (ii) Anderson Mori & Tomotsune, the legal advisor of the Company, was approved as the legal advisor of the Company after confirming that there were no issues with its high level of independence and expertise. Further, in the Second Meeting held on August 6, 2025, (iii) Plutus Consulting, the Committee's personal financial advisor and third-party valuator, was selected, and the Committee confirmed that it will receive expert advice therefrom if necessary (M&A Guideline 3.2.4.5).

⑤ The Committee has collected information necessary for consideration and judgment, such as by sending the Questionnaire (Offeror) to, and receiving the Written Response (Offeror) from the Offeror, receiving explanations from the Company, and requesting the Offeror to provide information (M&A Guidelines 3.2.4.6).

⑥ A fixed amount of remuneration is to be paid to each member of the Committee in compensation for their duties, regardless of the content of the recommendations, and the contingency fee system is not adopted (M&A Guidelines 3.2.4.7)

⑦ The Company's board of directors has resolved that decision-making of the Company's board of directors relating to the Transaction will be made with the utmost respect for the Committee's judgment and, that if the Committee decides that the terms and conditions of the Transaction are not appropriate, the Company's board of directors will disagree with the Transaction under such terms and conditions (M&A Guidelines 3.2.5).

(2) Decision-making process

In a resolution of the board of directors to decide whether to approve or disapprove an

M&A, if all directors, excluding those with significant interest with such M&A, gives approval and all auditors raise no objections, it will be regarded as a circumstance that indicates that the Fairness Ensuring Measures have effectively functioned in such M&A (M&A Guidelines 3.2.5 Footnote 46). According to the Opinion Press Release, at a meeting of the board of directors, it is expected that the eight independent directors of the Company will unanimously express their opinion in support of the Offer and recommend the shareholders to tender their shares in the Offer.

Two of the directors of the Company (Mr. Kazushi Shimizu and Mr. Hideo Yamane) and one of the auditors (Mr. Hirohisa Maeda) have been officers and employees of the Offeror in the past. However, since at least seven years have passed since Mr. Kazushi Shimizu has been relocated from the Offeror to the Company, and since at least five years have passed since Mr. Hideo Yamane has been relocated from the Offeror to the Company, and since at least 15 years have passed since Mr. Hirohisa Maeda has been relocated from the Offeror to the Company, and given that neither of the directors nor the auditor concurrently serve as the officers and employees of the Offeror, and given that they are not in a position to receive instructions from the Offeror, the two directors and one auditor above are not found to fall under interested parties who must be considered to cause damage to the fairness of the procedures unless they are excluded from the discussions or negotiations of the Company's board of directors on the grounds that they have been officers and employees of the Offeror in the past.

In addition, the Company intends to establish the Committee and obtain its opinions in accordance with (1) above. Since it will be resolved that the Company’s board of directors will make decisions with the utmost respect for the Committee's judgment and, that if the Committee decides that the terms and conditions of the Transaction are not appropriate, the Company's board of directors will disagree with the Transaction, it can be said that the arbitrariness of decision-making of the Company with respect to the Transaction has been eliminated and the fairness, transparency and objectivity of decision-making process has been ensured (M&A Guidelines 3.2.4.4 and 3.2.5).

Based on the foregoing, there is no doubt on the fairness of decision-making process of the Company.

(3) Obtaining advice from an independent law firm

According to the Reviewed Materials and Hearings, Etc., the Company received advice from AMT, a legal advisor independent of the Sumitomo Riko Group, the Offeror Group and the outcome of the Transaction, regarding the establishment of a special committee, the selection of its members and other Fairness Ensuring Measures to ensure transparency and reasonableness in the decision-making process relating to the Transaction (M&A Guidelines

3.3.1).

In addition, at its first committee meeting on July 30, 2025, the Committee confirmed that there is no problem with the Company's legal advisor, AMT's high level of expertise and independence, and agreed that the Committee would, as necessary, seek professional advice, and has accordingly sought and received such advice.

Based on the foregoing, it is considered that the Company and the Committee have obtained professional advice from the legal advisor since the early stage of their consideration of the Transaction.

(4) Obtaining a share valuation report from an independent third-party valuator

According to the Reviewed Materials and Hearings, Etc., the Company's board of directors obtained the Share Valuation Report (Daiwa Securities) from an independent third-party valuator, Daiwa Securities, and the Committee obtained the Share Valuation Report (Plutus Consulting) from an independent third-party valuator, Plutus Consulting, each as materials for the valuation of the Company's Stock and to ensure the fairness of the Tender Offer Price.

The contents of the Share Valuation Reports and the Business Plan underlying that valuations are reasonable, as set forth in 5-3. above.

With respect to the independence of Daiwa Securities, at the first committee meeting on July 30, 2025, the Committee directly confirmed with Daiwa Securities during the Hearings, Etc. that Daiwa Securities is independent of both the Offeror Group and the Sumitomo Riko Group and does not have any material interests in the Transaction, including the Tender Offer (M&A Guidelines 3.3.2.3). Although Daiwa Securities' remuneration includes a success fee contingent on completion of the Transaction, given that success-fee arrangements are common market practice in transactions of this kind, the existence of such a success-fee arrangement is not, by itself, considered to negate Daiwa Securities' independence.

Additionally, with respect to the independence of Plutus Consulting, at the second committee meeting on August 6, 2025, the Committee directly confirmed with Plutus Consulting during the Hearings, Etc. that Plutus Consulting is independent of both the Offeror Group and the Sumitomo Riko Group and does not have any material interests in the Transaction, including the Tender Offer (M&A Guidelines 3.3.2.3). Plutus Consulting's remuneration consists solely of fixed fees payable regardless of whether the Transaction is completed and does not include a success fee.

Based on the foregoing, each Share Valuation Report is recognized as a share valuation report prepared by an independent third-party valuation advisor (M&A Guidelines 3.3.2).

(5) Obtaining Fairness Opinions

To ensure the fairness of the Tender Offer Price, the Company's board of directors obtained from Daiwa Securities the Fairness Opinion (Daiwa Securities) stating that the Tender Offer Price of 2,600 yen per share is, from a financial perspective, fair to the Company's shareholders excluding the Offeror, which is the Company's parent company, and its affiliates.

Also, the Committee obtained from Plutus Consulting the Fairness Opinion (Plutus Consulting) stating that the Tender Offer Price of 2,600 yen per share is, from a financial perspective, fair to the Company's general shareholders.

Fairness opinions differ from valuation reports in that in fairness opinions, the third-party valuation advisor forms and expresses an opinion with the objective of evaluating the fairness of the proposed transaction terms between the parties, specifically with respect to the interests of general shareholders of the target company. Accordingly, compared with valuation reports, fairness opinions are reference information that can relate more directly, and be of greater significance, to the value of the target company, and therefore can be more useful to address issues with respect to structural conflicts of interest and information asymmetries in the process of formulating transaction terms (M&A Guidelines 3.3.2.2 A)).

The M&A Guidelines further state that fairness opinions should be positively evaluated as a Fairness Ensuring Measure if the third-party valuation advisor issues a fairness opinion with elements that include: (i) independence and neutrality, (ii) a rigorous issuance process, (iii) advanced expertise and performance, and (iv) a positive reputation (M&A Guidelines 3.3.2.2 B)).

With respect to the independence of Daiwa Securities and Plutus Consulting, as noted in (4) above, the Committee held the Hearings, Etc. with Daiwa Securities and Plutus Consulting and confirmed that both firms are (i) independent and neutral.

Further, through the Hearings, Etc. with Daiwa Securities and Plutus Consulting, the Committee confirmed that each firm satisfies the elements (ii) through (iv).

Therefore, the Committee considers that the Fairness Opinions can be positively evaluated as a Fairness Ensuring Measure.

(6) Consideration given to avoid coercion

According to the Tender Offer Notification, the Offeror has indicated that: (i) promptly after the settlement of the Tender Offer is completed, the Offeror will request the Company to hold an extraordinary general meeting of shareholders with a resolution agenda including (a) a cash-out request for all of the Company's Stock in proportion to the number of shares the Offeror will acquire upon completion of the Tender Offer (excluding the Company's

Stock directly owned by the Offeror and treasury shares held by the Company) or (b) a partial amendment to the articles of incorporation to abolish the provision on share unit, subject to a share consolidation and the effectiveness of such share consolidation, and that the Offeror will not adopt any method that would fail to secure the Company's shareholders' rights to demand purchase of shares or to seek price determination; and (ii) when a cash-out request or share consolidation is implemented, the amount of money to be delivered to the Company's each shareholder (other than the Offeror and the Company) as consideration will be calculated so that it is equal to the Tender Offer Price multiplied by the number of the Company's Stock held by that shareholder. Therefore, as the Company's shareholders are provided with an opportunity to appropriately decide whether to tender their shares in the Tender Offer, it is recognized that consideration has been given to avoid coercion (M&A Guidelines 3.7).

(7) Ensuring objective circumstances to secure the appropriateness of the Tender Offer Price and the fairness of the Tender Offer

According to the Tender Offer Notification, the Offeror set the Tender Offer Period to 30 business days even though the statutory minimum purchase period for a tender offer is 20 business days. Setting the Tender Offer Period longer than the statutory period is considered to secure an opportunity for all shareholders of the Company to appropriately decide whether to tender their shares in the Tender Offer.

Additionally, the Offeror and the Company have not made any agreements containing provisions that prohibit the Company from contacting competing offerors, including transaction protection provisions, or any agreements that restrict competing offeror from contacting the Company.

Thus, by setting the Tender Offer Period as described above and ensuring that opportunities for competing acquisition offers are available, it is recognized that consideration has been given to secure the fairness of the Tender Offer.

(8) Market check

As described in (7) above, by setting the Tender Offer Period at 30 business days and by not entering into agreements, including ones containing transaction protection provisions, that would restrict competing offerors from contacting the Company, a so-called indirect market check, where an M&A transaction is executed in a manner that allows other prospective acquiring parties to make competing proposals after the proposed M&A transaction is announced, is implemented in the Transaction (M&A Guidelines 3.4.2).

The M&A Guidelines note that in cases where the acquiring party is a controlling

shareholder, there are only a limited number of cases where a market check will function as a Fairness Ensuring Measure, and in most cases there will be scant meaning to implementing a market check. Nonetheless, since there may be exceptional cases in which a market check can function properly, it is advised that the Special Committee confirm that these exceptional circumstances do not exist. Under the M&A Guidelines, such exceptional circumstances are identified as, in particular: (i) cases where the percentage of voting rights held by the controlling shareholder is low; (ii) cases where there is a possibility that, if a highly attractive competing proposal is made, the controlling shareholder may decide to sell; and (iii) cases where the controlling shareholder intends to acquire the controlled company initially, and then eventually dispose of all or part of the controlled company (M&A Guidelines 3.4.3.2, note 66).

On examining whether any such exceptional circumstances exist, the Committee notes that (i) the Offeror, as the Company's controlling shareholder, owns a majority of the Company's Stock, and thus, this is not a case where the percentage of voting rights held by the controlling shareholder is low. Furthermore, (ii) it was expressly stated during the Hearings, Etc. that, from a business-strategy perspective of the Offeror Group, making the Company a wholly-owned subsidiary is indispensable to further strengthen and accelerate cooperation and collaboration and that the Transaction is therefore essential. Accordingly, even if a highly attractive competing proposal were made, it is considered highly unlikely that the Offeror would decide to sell. In addition, (iii) according to the Offeror, there are no plans to sell all or part of the Company after the Offeror acquiring the Company under the Transaction scheme.

Therefore, the Committee concluded that there are no exceptional circumstances in the Transaction that would necessitate an active market check.

(9) Majority of minority

According to the Tender Offer Notification, no minimum purchase threshold corresponding to the so-called "majority of the minority" has been set for this Tender Offer, on the grounds that setting such minimum purchase threshold corresponding to the so-called "majority of the minority" could render the consummation of the Tender Offer uncertain and may not serve the interests of general shareholders wishing to tender their shares in the Tender Offer.

While a "majority of the minority" minimum purchase threshold has not been applied to this Tender Offer, when viewed together with other Fairness Ensuring Measures described in this section 4., it is recognized that a reasonable degree of consideration has been given to the Company's general shareholders.

(10) Enhancement of the provision of information to general shareholders and improvement of process transparency

The M&A Guidelines recommend providing material information for general shareholders to decide the reasonableness of transaction terms (M&A Guidelines 3.6.1). Specifically, enhanced disclosures are expected regarding information related to the special committee and the share valuation report (M&A Guidelines 3.6.2). In addition, under the Securities Listing Regulations, etc. following the Revisions to Listing Regulations, Etc., when a decision is made to conduct a tender offer by a controlling shareholder, the listed company concerned is required to make timely disclosures that are necessary and sufficient and to attach to such timely disclosures a written statement setting out the opinion of the special committee (Securities Listing Regulations, etc., Article 441, Paragraph 2). Please note that the scope of necessary and sufficient timely disclosure has been expanded to include disclosure of the key assumptions used in valuing the shares (the assumptions underlying financial forecasts and the valuation methodologies).

In the Transaction, the Tender Offer Notification and the Opinion Press Release will provide enhanced disclosures, including the details of the authority granted to the Committee, the chronology of the Committee's deliberations and the status of its involvement in negotiation process, the details of this Report, and the structure of remuneration for committee members (M&A Guidelines 3.6.2.1), the outline of the Share Valuation Reports and the Fairness Opinions (M&A Guidelines 3.6.2.2), the process leading to the implementation of the Transaction and the course of negotiations (M&A Guidelines 3.6.2.3), the key assumptions used in valuing the shares (the assumptions underlying financial forecasts and the valuation methodologies). Also, the Report is scheduled to be attached to the Opinion Press Release.

It is therefore recognized that material information has been provided to the Company's general shareholders to decide the reasonableness of transaction terms (and that the Company has made timely disclosures that are necessary and sufficient), with a written statement setting out the opinion of the special committee attached thereto.

(11) Brief summary

As described in (1) through (10) above, in the Transaction (i) a situation substantially equivalent to an arm's length transaction has been ensured in the process of formulating the transaction terms, and (ii) from the perspective of ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information (M&A Guidelines 2.4), robust Fairness Ensuring Measures have been adopted and are effectively implemented. Therefore, in conclusion, it is recognized that, in the Transaction, sufficient

consideration has been given to the interests of general shareholders through fair procedures.

5. Regarding Consultation Matter No.4

Consultation Matters No.4 asks whether the Transaction is not disadvantageous to the Company's general shareholders.

The Committee believes that the matters requested to be reviewed in Consultation Matters No.1 through No.3 will be a factor to be considered when reviewing Consultation Matter No.4. As stated in 5-2. through 5-4. above, the Committee did not find any issues with respect to Consultation Matters No.1 through No.3 as a result of its consideration.

Based on the above, the Committee hereby expresses its opinion that the Transaction (including the Company's board of directors' decisions on the Transaction) is fair to the Company's general shareholders.

6. Regarding Consultation Matter No.5

Consultation Matter No.5 asks whether the Company's board of directors should express its opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

The Committee believes that confirmation in Consultation Matters No.1 through No.4 of the legitimacy and rationality of the purpose of the Transaction, the fairness of the procedures for the Transaction, and the fairness and reasonableness of the terms of the Transaction and confirmation that a decision to proceed with the Transaction would be fair to the Company's general shareholders, would justify endorsing Consultation Matter No.5. As described in 5-2. through 5-5. above, the Committee did not find any issues with regard to Consultation Matters No.1 through No.4 as a result of its review.

Based on the above, the Committee expresses its opinion that it is appropriate for the Company's board of directors to adopt a resolution stating its opinion in support for the Tender Offer, and recommending that the Company's shareholders tender their shares in the Tender Offer.

It should be noted that significant changes may occur in the Transaction terms or the Company's circumstances prior to the commencement of the Tender Offer, or that a competing proposal may be made, in which cases, separate consideration may be required. Please note that the opinion expressed in the Report reflects the Committee's judgment at the time of preparation of the Report.

Part6. Reserved matters

This Report is subject to the following reserved matters.

(1) This Report shall be strictly interpreted based on the matters stated herein, and no matters not expressly stated herein shall be interpreted by analogy or extension.

(2) This Report does not express any opinion on accounting or tax issues directly or indirectly related to the Transaction.

(3) This Report was prepared based on the matters set forth in Part 3-2. (3) above, and the Committee does not express any opinion regarding the accuracy or truthfulness of the matters set forth in Part 3-2. (3) above.

End of Document

[Translation]

October 30, 2025

To whom it may concern,

Company: Sumitomo Electric Industries, Ltd.

Representative: Osamu Inoue, President and COO
(Code: 5802, Tokyo Stock Exchange, Nagoya Stock Exchange, and Fukuoka Stock Exchange)

Contact: Maki Tanaka, General Manager, Public Relations Department

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Notice Concerning Commencement of Tender Offer for Shares of Sumitomo Riko Company Limited (Securities Code: 5191)

Sumitomo Electric Industries, Ltd. (the "Tender Offeror") hereby announces that it has resolved, at the Board of Directors meeting held today, to acquire common stock (the "Target Company Stock") of Sumitomo Riko Company Limited (securities code: 5191, listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") and the Premier Market of the Nagoya Stock Exchange, Inc. ("Nagoya Stock Exchange") (the "Target Company") through a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the "Act") as described below.

1. Purpose of the Purchase

(1) Overview of the Tender Offer

As of today, the Tender Offeror directly owns 51,534,901 shares of the Target Company Stock (ownership ratio (Note 1): 49.64%) listed on the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange. Together with 1,220,423 shares (ownership ratio: 1.18%) of the Target Company Stock indirectly owned by the Tender Offeror's subsidiaries and affiliates, the Tender Offeror owns 52,755,324 shares (ownership ratio: 50.81%) of the Target Company Stock, making the Target Company a consolidated subsidiary. A breakdown of the Target Company Stock owned by the Tender Offeror's subsidiaries and affiliates is as follows: the Tender Offeror's subsidiaries, A.L.M.T. Corp. owns 206,650 shares (ownership ratio: 0.20%), Sumitomo Electric Sintered Alloy, Ltd. owns 184,895 shares (ownership ratio: 0.18%), Kyushu Sumiden Seimitsu, Ltd. owns 184,895 shares (ownership ratio: 0.18%), Sumiden Shoji Co., Ltd. owns 142,056 shares (Note 2) (ownership ratio: 0.14%), Nissin Electric Co., Ltd. owns 138,153 shares (ownership ratio: 0.13%), TECHNO ASSOCIE Co., Ltd. owns 100,266 shares (ownership ratio: 0.10%), Sumiden Transmission and Distribution System Products, Ltd. owns 92,500 shares (ownership ratio: 0.09%), and Sumitomo Electric Tool Net, Inc. owns 92,038 shares (ownership ratio: 0.09%) (among these companies, seven companies, other than Sumiden Shoji Co., Ltd., are wholly owned subsidiaries of the Tender Offeror (the "Wholly Owned Subsidiaries") and 999,397 shares (ownership ratio: 0.96%)

of Target Company Stock owned by those seven companies are hereinafter referred to as the "Shares Owned by Wholly Owned Subsidiaries"), and other subsidiaries and affiliates of the Tender Offeror own 78,970 shares (ownership ratio: 0.08%). At the Board of Directors meeting held today, the Tender Offeror passed a resolution to execute a Tender Offer for all of the Target Company Stock (excluding Target Company Stock directly owned by the Tender Offeror and treasury shares owned by the Target Company), as part of a transaction aimed at making the Target Company a wholly owned subsidiary of the Tender Offeror (the "Transaction").

(Note 1) The "ownership ratio" refers to the ratio of the number of shares (103,823,998 shares) obtained by deducting (i) the number of treasury shares (218,808 shares) held by the Target Company on September 30, 2025, as stated in the Consolidated Financial Results (IFRS) for the Six Months Ended September 30, 2026 (the "Target Company Financial Results") published by the Target Company on October 30, 2025, from (ii) the total number of shares (104,042,806 shares) issued by the Target Company as of September 30, 2025, as listed in the said Target Company Financial Results (figures are rounded to the second decimal place; hereinafter the same unless otherwise stipulated for the description of the ownership ratio).

(Note 2) This figure includes 31,246 shares (rounded down to the nearest whole number) of Target Company Stock indirectly owned by Sumiden Shoji Co., Ltd. through the Target Company's Sumitomo Riko Kyouei Stock Ownership Association.

The Tender Offeror has set 16,681,702 shares (ownership ratio: 16.07%) as the minimum number of shares to be purchased in the Tender Offer. If the total number of shares tendered for sale (the "Tendered Shares") in response to the Tender Offer fails to meet the minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Shares. As previously stated, the intention of the Tender Offeror is to acquire all the Target Company Stock (excluding Target Company Stock directly owned by the Tender Offeror and treasury shares owned by the Target Company) for the purpose of making the Target Company its wholly owned subsidiary. Given this, it has not set a maximum number of shares to be purchased and, provided that the number of Tendered Shares is at least the minimum number of shares to be purchased, the Tender Offeror will purchase all the Tendered Shares.

Note that the minimum number of shares to be purchased (16,681,702 shares) is set by deducting from the number of shares (69,216,000 shares), which is obtained by multiplying the number of voting rights (692,160 votes) by one unit (100 shares) of the Target Company Stock, (i) the number of Target Company Stock directly owned by the Tender Offeror (51,534,901 shares) and (ii) the number of Shares Owned by Wholly Owned Subsidiaries (999,397 shares) (Note 3), so that such minimum number will be at least two-thirds of the total number of voting rights (1,038,239 votes) in the Target Company (calculated on the number of shares (103,823,998 shares) obtained by deducting (i) the number of treasury shares (218,808 shares) owned by the Target Company as of September 30, 2025, as stated in the Target Company Financial Results, from (ii) the total number of shares (104,042,806 shares) issued by the Target Company as of September 30, 2025, as stated in the Target Company Financial Results). The Tender Offeror aims to make the Target Company its wholly owned subsidiary in the Transaction, and if the Tender Offer is completed successfully but the Tender Offeror fails to acquire all Target Company Stock through the Tender Offer (excluding Target Company Stock directly owned by the Tender Offeror, treasury shares owned by the Target Company, and the Shares Owned by Wholly Owned Subsidiaries) and follows the share consolidation procedures as stated in "(4) Policies Regarding Reorganization After the Tender Offer (Matters Regarding the So-Called Two-Stage Purchase)" below, a special resolution at a shareholders meeting, as set forth in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same), will be necessary. The Tender Offeror therefore set the minimum number of shares to be purchased so that the Tender Offeror will be able to satisfy that requirement by having itself and the Wholly Owned Subsidiaries own at least two-thirds of the total number of voting rights of all shareholders of the Target Company after the Tender Offer, in order to ensure the implementation of the Transaction.

(Note 3) The Tender Offeror does not intend to have its Wholly Owned Subsidiaries tender the Shares Owned by Wholly Owned Subsidiaries to the Tender Offer, and upon the

successful completion of the Tender Offer, the Tender Offeror is contemplating having the Shares Owned by Wholly Owned Subsidiaries (if a share consolidation will be implemented in the Squeeze-out Procedures, a fractional number corresponding to those shares) belong to itself through the Squeeze-out Procedures (as defined below; hereinafter the same) or by delivering those shares to itself as dividend assets after the elapse of the period of purchase for the Tender Offer (the "Tender Offer Period"). In any case, the Wholly Owned Subsidiaries intends to support the Squeeze-out Procedures; accordingly, it deducted the number of the Shares Owned by Wholly Owned Subsidiaries when setting the minimum number of shares to be purchased.

As stated above, as of today, the Tender Offeror does not intend to have its Wholly Owned Subsidiaries tender all of the Shares Owned by Wholly Owned Subsidiaries (999,397 shares) to the Tender Offer. The Tender Offeror intends to take measures to make the Target Company its wholly owned subsidiary, including acquiring the Shares Owned by Wholly Owned Subsidiaries without paying transfer proceeds by receiving delivery thereof as dividend assets after the Tender Offer Period has elapsed. The specific measures to be taken will be determined after the Tender Offer Period has elapsed.

The aim of the Tender Offeror is to make the Target Company its wholly owned subsidiary. Consequently, in the event that the Tender Offeror is unable to acquire all of the Target Company Stock (excluding Target Company Stock directly owned by the Tender Offeror, treasury shares owned by the Target Company, and the Shares Owned by Wholly Owned Subsidiaries) in this Tender Offer, it plans to acquire all of the Target Company Stock (excluding Target Company Stock directly owned by the Tender Offeror and treasury shares owned by the Target Company. As stated above, depending on the measures to be taken for the Shares Owned by Wholly Owned Subsidiaries, all or some of the Shares Owned by Wholly Owned Subsidiaries may be included) by executing a series of procedures (the "Squeeze-out Procedures"), as stated in "(4) Policies Regarding Reorganization After the Tender Offer (Matters Regarding the So-Called Two-Stage Purchase)" to ensure that it becomes the sole shareholder of the Target Company. As of today, the Target Company Stock is listed on the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange. However, depending on the outcome of the Tender Offer, it may be delisted using the prescribed procedures, as stated in "(5) Prospect of Delisting and Reasons Therefor" below. Alternatively, if it is decided that various procedures will be executed as stated in "(4) Policies Regarding Reorganization After the Tender Offer (Matters Regarding the So-Called Two-Stage Purchase)" below, then it will be delisted using the relevant, prescribed procedures.

Meanwhile, the "Announcement of Opinion in Support of the Tender Offer for the Company Stock by Controlling Shareholder Sumitomo Electric Industries, Ltd. and Recommendation to Tender Shares" (the "Target Company Press Release") published by the Target Company today, stated that the Target Company's Board of Directors meeting held today resolved to express an opinion in support of the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer.

For details of the above-mentioned resolution of the Target Company's Board of Directors, please see the Target Company Press Release and "(vii) Approval of All Directors of the Target Company Without Conflict of Interest and Opinion of All Corporate Auditors of the Target Company Without Conflict of Interest That They Have No Objections" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below.

(2) Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy

A. Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer

(i) Background to the Tender Offer

The Tender Offeror was founded by Sumitomo Head Office in April 1897 as the Sumitomo Copper Rolling Works, to manufacture copper wire, etc. In August 1911, it split from Sumitomo Copper Rolling Works to become Sumitomo Electric Wire & Cable Works, a company that manufactured electric wire, before restructuring as Sumitomo Electric Wire & Cable Works Co., Ltd., in December 1920, and becoming incorporated as a separate company from Sumitomo General Head Office. It subsequently changed its name to Sumitomo Electric Industries, Ltd. in November 1939. In May 1949, the company's stock was listed on the First Section of the Tokyo Stock Exchange, the First Section of the Osaka Securities Exchange Co., Ltd., (the "Osaka Securities Exchange") and the First Section of the Nagoya Stock Exchange and, in June of the same year, on the Main Board of the Securities Membership Corporation Fukuoka Stock Exchange (the "Fukuoka Stock Exchange"). Thereafter, due to the cash market of the Osaka Securities Exchange being merged to the Toko Stock Exchange in July 2013, the Tender Offeror became listed on the First Section of the Tokyo Stock Exchange, the First Section of the Nagoya Stock Exchange, and the Main Board of the Fukuoka Stock Exchange. Furthermore, following the move to new market segmentation at the Tokyo Stock Exchange and Nagoya Stock Exchange on April 4, 2022, the Tender Offeror is currently listed on the Tokyo Stock Exchange's Prime Market; the Nagoya Stock Exchange's Premier Market; and the Fukuoka Stock Exchange's Main Board. The Tender Offeror's basic policy remains unchanged and promotes fair business activities governed by a high standard of corporate ethics that are based on the "Sumitomo Spirit" and the "Sumitomo Electric Group Corporate Philosophy." From its founding to the present day, the Tender Offeror has expanded its areas of operation, creating new products and technologies through research and development based on electric wire and cable manufacturing technology, and the challenge of new business segments.

As of today, the Tender Offeror Group (meaning the Tender Offeror and its consolidated subsidiaries and its affiliates; hereinafter the same) consists of the Tender Offeror, 388 its consolidated subsidiaries (including the Target Company), and 29 affiliates, and is involved in developing business activities such as product development, manufacturing, sales, and services, etc., across its five divisions; these being Environment & Energy, Info-communications, Automotive, Electronics, and Industrial Materials.

The market environment surrounding the Tender Offeror Group is changing rapidly with sophisticated social needs and intensified competition in the Energy sector and Info-communications sector, etc., to say nothing of the Mobility sector, given the global trend toward decarbonization and carbon neutrality. The Group recognizes that the business environment surrounding the automotive industry in particular is undergoing a dramatic upheaval. It is believed that, moving forward, the business environment will become even more uncertain as these environmental changes accelerate further, influenced by various trends such as the continued unstable situation in Ukraine, the deepening of confrontation between the United States and China, the acceleration of inflation including crude oil and raw material prices and rising interest rates, continued disruptions to logistics and supply chains, and the proliferation of generative AI. In order to achieve steady growth in such a business environment, the Tender Offeror has continuously considered various strategies to improve its medium-to-long term corporate value, including the ideal arrangement for the Group's management. As a result, in May 2022 the "Sumitomo Electric Group 2030 Vision" was established as a long-term vision for 2030 (the "Long-term Vision") to present the aims of the Tender Offeror Group. In the Long-term Vision, the purpose of the Tender Offeror Group is defined as "Contribute to building a better society by pursuing Top Technology and innovation on a global scale, using the integrated capabilities of Sumitomo Electric Group." In terms of

business areas, the Tender Offeror Group is focusing on three sectors: namely, the energy sector, where renewable energy and distributed power sources (Note 1) are expected to be introduced on a large scale; the info-communications sector, which is increasingly expected to demand higher speeds and greater capacity for communications, accompanied by lower levels of power consumption; and the mobility sector, which is expected to see electronic developments and the emergence of new mobility initiatives, as well as greater links between automotives and external services. The Group's policy is to utilize its technical expertise in each of the three focal sectors and use the integrated capabilities of the Group to meet market expectations, capturing the needs of social change such as GX (Note 2), DX (Note 3) and CASE (Note 4). In May 2023, the Tender Offeror announced the "Mid-term Management Plan 2025" (the "Mid-term Management Plan"); based on the Long-term Vision and the Mid-term Management Plan, the Tender Offeror has further clarified its responses to needs of social change, which include GX, DX, and CASE.

(Note 1) This refers to systems that supply power by distributing relatively small power generators close to areas of consumption.

(Note 2) GX is an abbreviation for Green Transformation, which means transforming the socio-economic system and industrial infrastructure by switching from the use of fossil fuels and electric power, which create greenhouse gas emissions, to clean, renewable energy that does not create greenhouse gases (such as carbon-free gases, solar power and wind power).

(Note 3) DX is an abbreviation for Digital Transformation, which means combining data and digital technology to transform various things, including products, services and business models, in order to create a competitive advantage.

(Note 4) This is a coined term that combines the initials of the important elements showing the future trend of the automotive industry: "Connected," "Autonomous," "Shared and Services," and "Electric."

According to the Target Company Press Release, the Target Company was founded in December 1929 as Showa Kogyo Co., Ltd. to engage in business including the manufacturing of rubber belts. Thereafter, in January 1930, the company changed its name to Kabata Chotai (Belt) Co., Ltd. In October 1937, it changed its name to Tokai Rubber Industries Ltd., and in November 1961, it changed its Japanese company name to Tokai Rubber Industries Ltd. (replacing the Chinese characters for "Rubber" with Japanese katakana characters), and in October 2014, it changed its name to its current company name, Sumitomo Riko Company Limited. The Target Company was listed on the Nagoya Stock Exchange in July 1949, and on the Second Section of the Tokyo Stock Exchange in February 1994. Thereafter, in September 1996, it was designated as first section securities by both the Tokyo Stock Exchange and the Nagoya Stock Exchange. After transition to new market segments at the Tokyo Stock Exchange and the Nagoya Stock Exchange in April 2022, it is currently listed on the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange.

As of October 30, 2025, the Target Company Group (meaning the company group, consisting of the Target Company and its consolidated subsidiaries and affiliates; hereinafter the same) consists of the Target Company, 74 consolidated subsidiaries, and 7 affiliates. In the Automotive Products sector, the Target Company leverages its core competencies in polymer materials technology, based on compounding, synthesizing, and modifying technologies, to create superior functional materials and products with exceptionally high added value. Together with its comprehensive evaluation technologies, which enable it to independently assess and verify required performance and reliability, both cultivated since its founding, it promotes the creation and development of products that provide new value to future automotives by making full use of the vibration and noise control technology accumulated through the development of anti-vibration rubber and its fluid conveying technology, which has been refined through the development of hoses. In the General Industrial Products sector and New Business sector, it promotes the creation and development of products such as

industrial hoses and railway vehicle supplies that are essential for infrastructure development, various seismic response control systems that are effective in earthquake countermeasures, precision parts for office equipment that support a functional and comfortable office environment, and various healthcare products that utilize its proprietary technology "Smart Rubber Sensor (SR Sensor)" (Note 5).

To transform into "A leading solution provider taking on social challenges by collecting whole resources of Sumitomo Riko and its partners" as set forth in the "2029 Sumitomo Riko Group Vision" (2029V), published on May 30, 2023, the Target Company Group is promoting its business activities based on its three-year business plan published on the same day, "2025 Sumitomo Riko Group Mid-term Management Plan" (2025P). The Target Company Group is engaged in the following initiatives in each segment to improve corporate value with the theme of "Further enhancing profitability and Strengthening the management foundation for sustainable growth." and having as the pillars of its management strategy: "creation of new business and new customers," "MONOZUKURI innovation," and "reinforcement of global business foundation."

(Note 5) Smart Rubber Sensor (SR Sensor) refers to the Target Company's unique flexible sensor technology which applies the conductive properties of rubber to detect pressure and distortion with high sensitivity. Use of flexible and elastic conductive rubber enables the non-contact detection of biological information such as body pressure, heart rate, respiration, and body movement, while reducing the discomfort of the user. It is widely applied in areas such as automotive driver monitoring and the healthcare sector.

a. Automotive Products

Based on its core competencies in polymer materials technology and comprehensive evaluation technology, which the Target Company Group has cultivated since its founding, the Advanced Systems R&D Center takes the lead in focusing on the development of new products in two areas of the CASE, "A: Autonomous" and "E: Electric," to promote the creation and development of products that will provide new value for future automotives (mobility). In particular, the Target Company Group believes that the thin-film high-heat insulation material "Finesulight ®," created using the Target Company's core technology, will contribute to solving various issues such as those concerning electric mileage, range, and battery safety improvement, which are considered bottlenecks for electric vehicles (EVs). In the anti-vibration rubber division, the Target Company Group is expanding sales not only to Japanese automakers but also to overseas automakers by evolving from engine mounts (Note 6) to motor mounts (Note 7) and eAxle mounts (Note 8) with more advanced vibration control in line with the era of EV. In the automotive hose division, in line with the growing need for thermal management of batteries, motors, and other components for EVs, the Target Company Group is also focusing on the development of products such as cooling hoses and battery cooling plates that make use of the liquid transfer technology cultivated in other products. In addition, the Target Company Group continues to expand sales for products including fuel hoses that comply with environmental regulations in each country and fuel hoses for biofuels. To realize a "hydrogen society," the Target Company supplies key components for fuel cell vehicles (FCEVs), and its products continue to be used in fuel cell vehicles (FCEVs) of Japanese automakers.

(Note 6) An engine mount is a part that secures the engine to the body of an automotive and reduces vibration and noise. In particular, adaptive hydraulic engine mounts contribute to achieving both comfort and stable handling.

(Note 7) A motor mount is a part that supports motors in electric vehicles (such as HEVs/EVs), and reduces high frequency vibrations. The Target Company Group has a track record of developing and supplying motor mounts for next-generation automotives.

(Note 8) An eAxle mount is a part that supports an electric drive module, which integrates the motor, speed reducer, and inverter. It achieves both comfort and drive response, and is designed to protect high voltage components in the event of impact.

b. General Industrial Products, New Businesses

The General Industrial Products sector develops business in fields including the infrastructure and housing environment, electronics, and healthcare, which are essential for building social and environmental infrastructure. Within the General Industrial Products sector, in the field of housing environment, seismic control systems for buildings, TRC Damper (Note 9) is expected to contribute to disaster prevention and mitigation, especially in Japan, where earthquakes are common. In the infrastructure field, in terms of hydraulic hoses, the Target Company Group aims to improve profitability by actively entering the aftermarket and expanding global sales, mainly in areas where it has not yet entered, along with reducing costs. In the electronics field, the Target Company Group is promoting structural reforms aimed at transforming into a system that can flexibly respond to demand fluctuations resulting from the maturity of the office equipment market and changes in work styles. Furthermore, in the healthcare field, the MONILIFE series (Note 10), which applies smart rubber sensors (SR sensors), is being considered for the use of sleep analysis services and high-quality sleep environments for guests in the accommodation industry, with the Target Company aiming to contribute to people's lives and health through its technologies and product development.

(Note 9) A TRC Damper is a damping device utilizing the Target Company Group's unique viscoelastic material; it is a vibration control damper for buildings, which mitigates building sway and deformation caused by earthquakes and wind.

(Note 10) MONILIFE series collectively refers to sensing solutions that apply the Target Company's unique smart rubber sensor (SR sensor) technology to non-contact detection and analysis of vital information such as human body movements, respiration, and heart rate. The Target Company offers systems such as MONILIFE Mobility, which monitors driver conditions in automotive applications, and MONILIFE Wellness, a sleep monitoring system designed for accommodations and nursing care facilities. Combined with the "MONILIFE Platform", which analyzes sensing data in the cloud, the Target Company aims to enhance comfort and safety.

The capital ties between the Tender Offeror and the Target Company originate from the acquisition in October 1937 by the Tender Offeror's predecessor Sumitomo Electric Wire & Cable Works Co., Ltd. of 6,000 shares in the Target Company (37.50% of the total number of shares in the Target Company issued at that time) through a share transfer, in accordance with a capital and business alliance agreement. Since then, the Tender Offeror has been acquiring the Target Company Stock in stages by underwriting new share issues for the purpose of allocating working capital to, and making capital investments in, the Target Company and through other similar actions. In September 1942, the Tender Offeror made the Target Company a consolidated subsidiary, holding 14,500 shares (51.79% of the total number of issued shares in the Target Company at that time). The Tender Offeror has thereafter acquired the Target Company Stock in stages and, as of today, the Tender Offeror owns 52,755,324 shares (ownership ratio: 50.81%) of the Target Company Stock, together with the 1,220,423 Target Company Stock (ownership ratio: 1.18%) indirectly owned through its subsidiaries and affiliates.

(ii) Background and Purpose of the Decision to Implement the Tender Offer

a. Background to the review on making the Target Company a wholly owned subsidiary

As stated in "(i) Background to the Tender Offer" above, in its Long-term Vision and the Mid-term Management Plan, the Tender Offeror states that it will focus on three key areas: the energy sector, the info-communications sector, and the mobility sector and identify new

demands generated by social changes, such as GX, DX and CASE, and respond to market expectations with the integrated capabilities of the Tender Offeror Group. The Tender Offeror believes that in the future business environment for the mobility sector, the electrification of vehicles, the expansion of automated driving, the acceleration of efforts regarding next-generation mobility systems such as ultra-compact mobility, the expansion of mobility services such as MaaS (Note 11), and the expansion of connection between vehicles and external services, are expected to occur. In response to such changes in the business environment surrounding mobility, based on its global manufacturing capabilities and personnel with high-level skill and proficiency, which it has developed with a focus on wire harnesses (Note 12) as its core business, the Tender Offeror intends to take on the challenges of electrification and high-speed communication of mobility, including architectural transformation, in addition to strengthening existing products by utilizing the wide range of technological knowledge it has accumulated through its business in the mobility sector, as well as in the energy sector and the info-communications sector. In addition, in fields where the mobility, energy, and info-communications sectors are integrated, the Tender Offeror will exert the integrated capabilities of the Tender Offeror Group and provide a wide variety of products and services that meet the market needs.

(Note 11) "MaaS" is an abbreviation for "Mobility as a Service," which refers to a concept of mobility that involves cloud-based transportation using ICT and considers mobility through all means of transportation, excluding private cars, as a kind of services, and connects them seamlessly.

(Note 12) A wire harness is an electrical wiring system consisting of electrical wires, connectors, and other components, used to transmit information and electrical power within an automobile.

The environment surrounding the Target Company Group involves global trends toward the realization of a sustainable society and major changes in the automobile industry, such as CASE. Currently, it is facing the actualization of risks associated with policy changes in response to election results in major countries, prolonged geopolitical risks, a slowdown in the Chinese economy, and the risk of abrupt fluctuations in the exchange rate due to changes in policy interest rates. The Target Company Group recognizes that these factors are intricately intertwined, resulting in an increasingly uncertain economic environment. Under these circumstances, the Target Company Group is promoting business activities based on its three-year business plan "2025 Sumitomo Riko Group Mid-term Management Plan" (2025P). The Target Company Group plans to increase profitability and strengthen its business foundation by developing products that make full use of the Target Company Group's core competencies, polymer materials technology and comprehensive evaluation technology, and continuing to promote order increases, cost reduction activities, and overhead cost control by capitalizing on its global production system. Further, by achieving financial targets and promoting ESG management and management that pays close attention to capital cost and stock prices, the Target Company Group aims to achieve sustainable growth and realize a prosperous society together with a wide range of stakeholders. Furthermore, in terms of the development of new products, the Target Company Group intends to strengthen cooperation with the Tender Offeror, which is its parent company, to create synergies more effectively than ever before.

While the Tender Offeror is required to integrate cross-sectoral technologies and know-how in a business environment that is undergoing drastic changes, as stated above, the Tender Offeror believes that it is important to further integrate the knowledge of each company in the Tender Offer Group, in order to view these changes as growth opportunities and respond flexibly. In addition, given that strengthening the competitiveness of the automotive industry, which is one of Japan's core industries, will become even more important due to factors including the shift to EVs, advanced informatization, cross-industry co-creation, greening, efforts towards a circular economy (Note 13), and the recent tariff policies implemented in the United States, in terms of various changes originating from the

mobility sector, the Tender Offeror considers that deepening cooperation with the Target Company – which has high technical capabilities, especially in the mobility sector, and a firm position in the market – is effective for further reinforcement of its customer service capability. Further, the Target Company's proprietary technologies related to polymers and materials have the potential to be deployed not only in the mobility sector but also in GX fields such as the environment, energy, information communications, and electronics, and the Tender Offeror believes that further growth can be expected when these technologies are combined with the technical and research and development capabilities of the Tender Offeror Group. To facilitate such collaboration, the Tender Offeror recognizes that it is essential to build a more integrated business management system that enables the Tender Offeror and the Target Company to share insight regarding changes in the business environment, bring together the fundamental and universal strengths and knowledge of both companies, identify and assess changes in the business environment, and provide one-stop value as a "global mobility supplier" in the mobility sector.

However, the Tender Offeror recognizes that, under the current circumstances, where both the Tender Offeror and the Target Company operate independently as listed companies, there are inherent limitations on the sharing of information, management resources, human resources, and know-how. As a result, further promotion of integrated management is constrained under the existing capital relationship.

(Note 13) Circular economy refers to an economic system that efficiently circulates resources to create a sustainable society, aiming for economic growth.

Under such circumstances, since June 2025, the Tender Offeror has considered transforming the Target Company into its wholly owned subsidiary through a tender offer, as a measure to resolve the structural conflict of interest that may occur between the Tender Offeror and the Target Company's general shareholders due to both the Tender Offeror and the Target Company being listed companies, while aligning the interests of the Tender Offeror Group and the Target Company Group. Simultaneously, this action is intended to enable the Target Company to make agile decisions, thereby promoting the growth of the Target Company Group and the Tender Offeror Group from a medium-to-long-term perspective.

As a result, in early July, the Tender Offeror anticipates that, by establishing the Target Company as a wholly owned subsidiary, further synergies will be realized through the mutual utilization of management resources such as customer bases, business platforms, and financial bases, and the enhancement of flexibility and speed of decision-making in the management strategy of the Tender Offeror Group, which includes the Target Company. Further, optimal resource allocation, investment, research and development, etc. will be promoted on a group-wide basis, which will enable competitive customer proposals. Accordingly, the Tender Offeror determined that the implementation of the Transaction will significantly improve the corporate value of the Tender Offeror Group as a whole, including the Target Company, and that it is necessary to convert the Target Company into its wholly owned subsidiary.

b. Synergies from making the Target Company a wholly owned subsidiary

The Tender Offeror and the Target Company have previously considered and implemented collaborations, and since both the Tender Offeror and the Target Company are listed companies, recognizing the importance of maintaining independence, the Tender Offeror is aware of the issue concerning certain restrictions on sharing customer bases, including the sales information of the Tender Offeror Group and the Target Company Group, and business bases, including technical information, with each other, such as the need to take measures after sufficiently considering the structural conflict of interest that may occur between the Tender Offeror and the Target Company's general shareholders. The Tender Offeror believes that through the Transaction, the potential risk of conflict of interest

between the parent company and general shareholders associated with the parent-subsidiary listing will be eliminated, enabling the Target Company to make agile decisions, and that further promotion of the integration of the two companies will maximize various synergistic breakthroughs from new perspectives, and optimal resource allocation, investment, research and development, etc. will be promoted on a group-based basis, enabling competitive customer proposals. Therefore, the Tender Offeror believes that this will lead to an improvement of corporate value of both the Tender Offeror and the Target Company.

The Tender Offeror verified the synergies over multiple occasions in the process of considering making the Target Company the Tender Offeror's wholly owned subsidiary. As a result, the Tender Offeror believes the potential synergies by the Transaction are as follows:

<Strengthening of research and development capabilities and new product development capabilities through the integration of technology and know-how>

In terms of research and development capabilities, the Tender Offeror believes that the Transaction will enable the promotion of research and development based on the Target Company's utilization of material technologies and fundamental technologies (such as AI, IoT, computational science, analysis technology, and security) of the Tender Offeror, as well as accelerating joint research and development, and avoiding duplicate research.

In terms of intellectual property, the Tender Offeror believes that the Transaction will enable it to share its global intellectual property management system and specialized departments, thereby enhancing the network and bargaining power necessary for the Target Company to acquire, defend, and enforce intellectual property rights. The Tender Offeror believes that by combining its intellectual property know-how with the Target Company's core technology, development of new technical areas and establishment of technical advantages can be expected.

In terms of new product development capabilities, the Tender Offeror intends to discover breakthroughs in synergies from new perspectives, such as modules that combine the Target Company's in-depth knowledge of materials, sensors, and other relevant products with heat-blocking, heat radiation, vibration control, and quietness by applying heat control and fluid control technology and other similar technology based on polymer material technology, which is one of the core competencies of the Target Company, with the Tender Offeror's various products, and system products that integrate electric power and communication technologies, and create new businesses. The Tender Offeror believes that, through further integration, development of new products not only by combining existing products but also by combining the basic technologies of both companies can be promoted.

Furthermore, in terms of businesses related to environmental measures, the Tender Offeror aims for the establishment of recycle technology through the promotion of a circular economy, and believes that combining the Target Company's anti-vibration business and chemical products business with the Tender Offeror's electronics and info-communications business foundation will enable further development of environmental measures in the housing environment and infrastructure field.

<Mutual utilization of global business platforms (customers, production sites, and procurement networks)>

While both the Tender Offeror and the Target Company operate in the mobility sector and have a common business field, the Tender Offeror also engages in a wide range of businesses within the info- communications sector and energy sector, and the Target Company is engaged in business in the General Industrial Products sector, infrastructure and housing environment sector, electronics sector, and healthcare sector. Therefore, the Tender Offeror believes that mutual utilization of customer network and sales offices through the Tender Offer will enable both companies to acquire contact points with customers from different industries. The Tender Offeror also believes that the two companies can deepen their relationships with existing customers through integrated proposals that combine the capabilities of both companies.

In terms of procurement, logistics, and manufacturing, the future of the business environment surrounding both companies is becoming more uncertain due to increasing political and geopolitical risks. As both the Tender Offeror and the Target Company operate on a global scale, the Tender Offeror believes that the mutual utilization of the logistics and procurement networks, production bases, and manufacturing facilities of both companies will diversify and provide multiple alternatives for the supply chain, ultimately strengthening resilience and thereby improving flexibility with regard to changes to the business environment. Further, the Tender Offeror expects that maximization of economies of scale through joint purchasing from suppliers and other similar actions will reduce procurement costs.

Moreover, the Tender Offeror believes that the improvement and optimization of the functions of indirect departments can be promoted through sharing knowledge, functions, locations, and resources between the administrative departments of the Tender Offeror and the Target Company, unifying the accounting system, and utilizing human resource development programs and various shared services (Note 14).

(Note 14) Shared services refers to a management approach aimed at improving operational efficiency by consolidating the functions of indirect departments, such as human resources, accounting, and information systems, into a single organization.

<Maximum utilization of human resources through the integration and exchange of teams and human resources>

In the current relationship between the Tender Offeror and the Target Company, which is a listed subsidiary, there are restrictions that require respect for the independence and autonomy of the Target Company as a listed company, while making efforts to avoid conflicts of interest between the Tender Offeror, which is the parent company, and other general shareholders. Due to this, the Tender Offeror and the Target Company conduct hiring and human resources development independently and have certain limitations such as lack of personnel exchange. Accordingly, the Tender Offeror believes that the Tender Offeror Group, including the Target Company, has not completely optimized its management resources. The Tender Offeror believes that by making the Target Company a wholly owned subsidiary of the Tender Offeror through the Transaction, the sharing of know-how will accelerate through staffing and personnel exchange to appropriately respond to a business environment that requires the integration of knowledge across multiple fields, and that the development and proposal capabilities leading to differentiation from competitors will be strengthened, as described in the "<Strengthening of research and development capabilities and new product development capabilities through the integration of technology and know-how>" above.

In addition, the Tender Offeror believes that it will be able to advance its existing efforts in various fields such as business management, technology, sales, production, and development, and further promote human resource exchanges without barriers, and that know-how regarding overseas expansion of business operations will be shared through the global business expansions of both companies, and that governance and risk management capabilities will be strengthened when expanding business globally for further future growth.

<Strengthening risk management capabilities through mutual sharing of knowledge>

By exchanging expertise accumulated by the Tender Offeror and the Target Company to date with regard to business risks and various risks related to disasters, pandemics, and threats to information security, the Tender Offeror and the Target Company are expected to build a more appropriate risk management system and improve the effectiveness of group management. Both the Tender Offeror and the Target Company are engaged in business projects related to automotive parts, where a typical risk is that any quality issues with products and parts may lead to a loss of credibility and significant indemnification claims from clients. Another characteristic of this business is the time required to stabilize operations after entering a new market. We expect that by further sharing the experience, expertise, and know-how regarding local markets that each company has gathered in various countries and regions

to date, as well as their relationships with business partners and customers, the Tender Offeror and Target Company will collectively ensure better risk management to combat these risks and challenges and thereby facilitate more consistent global expansion.

c. Process leading to the decision of the Tender Offer

In light of the aforementioned background, purpose, and anticipated synergies, in early June 2025 the Tender Offeror concluded that, in order to further improve the corporate value of both companies, it is necessary to strengthen collaboration between the two companies even further and amalgamate management resources by making the Target Company a wholly owned subsidiary of the Tender Offeror.

The Tender Offeror started specifically considering the Transaction after appointing JPMorgan Securities Japan Co., Ltd. ("JPMorgan Securities") as its financial advisor and third-party valuation organization independent of the Tender Offeror and the Target Company on June 9, 2025, and Nishimura & Asahi ("Nishimura & Asahi") as its legal advisor on June 25, 2025. The Tender Offeror also made a proposal to the Target Company to make the Target Company its wholly owned subsidiary and provided the Target Company with a non-legally binding preliminary letter of intent, which states the background and purposes of the Transaction, expected measures for improvement of corporate value, and the expected structure of the Transaction, under which the Tender Offeror intends to make the Target Company its wholly owned subsidiary through squeeze out procedures against the Target Company's general shareholders and other similar procedures as necessary after implementing the Tender Offer ("Proposal") on July 7, 2025.

In response to this, given that the Target Company is a subsidiary of the Tender Offeror and that the Transaction falls under a category of transactions in which there typically exists structural conflicts of interest and asymmetric information issues, with the aim of addressing such issues and ensuring the fairness of the Transaction, including the Tender Offer, the Target Company commenced the establishment of a framework for examining and negotiating the Transaction from the perspective of improving the corporate value of the Target Company and securing the profit of general shareholders of the Target Company from a standpoint independent of the Tender Offeror. In particular, as stated in "(i) Background to Establishing a Consideration Framework" under "B. The Decision-Making Process and Reasons Leading the Target Company to Support the Tender Offer" below, in order to ensure the fairness of the purchase price per share of Target Company Stock in the Tender Offer (the "Tender Offer Price") and other fairness-related issues relating to the Transaction, before commencing the examination of the Transaction and discussions and negotiations with the Tender Offeror regarding the Transaction, the Target Company appointed Daiwa Securities Co. Ltd. ("Daiwa Securities") as its financial advisor and third-party valuation organization independent of the Tender Offeror Group (excluding the Tender Offeror and the Target Company Group) and the Tender Offeror (collectively, the "Tender Offeror, etc.") and Anderson Mori & Tomotsune ("Anderson Mori & Tomotsune") as its legal advisor. Further, the Target Company established the Special Committee (as defined in "(i) Background to Establishing a Consideration Framework" under "B. The Decision-Making Process and Reasons Leading the Target Company to Support the Tender Offer" below; hereinafter the same), consisting of independent outside directors and independent outside audit and supervisory board members in order to examine, negotiate, and make decisions related to the Transaction from the perspective of improving the corporate value of the Target Company and securing the profit of general shareholders of the Target Company from a standpoint independent of the Tender Offeror, etc. The Special Committee approved the appointment of Daiwa Securities as the Special Committee's financial advisor and third-party valuation organization and Anderson Mori & Tomotsune as the Special Committee's legal advisor, and also appointed Plutus Consulting Co., Ltd., ("Plutus Consulting") as its own financial advisor and third-party valuation organization independent of the Tender Offeror.

The Tender Offeror and the Target Company initiated specific negotiations and consideration of the Transaction from July 9, 2025.

Along with carrying out the due diligence on the Target Company during the period from early August 2025 to early September 2025 to closely examine the feasibility of the Tender Offer, the Tender Offeror has been discussing with the Target Company and the Special Committee the significance and purposes of the Transaction, the synergies expected from the Transaction, the post-Transaction management structure and business policy, and the conditions of the Transaction, including the Tender Offer Price. In particular, on August 13, 2025, the Tender Offeror received questions in writing from the Target Company and the Special Committee concerning matters such as the significance and purpose of the Transaction, the background of the proposal for the Transaction, synergies of the Transaction, disadvantages of the Transaction, the structure of the Transaction, and the Target Company's post-Transaction management policy (the "Matters of Inquiry"). On August 22 the same year, the Tender Offeror provided the Target Company with a written response to the Matters of Inquiry. Furthermore, in connection with the response, the Tender Offeror attended an additional interview regarding the Matters of Inquiry with the Target Company and the Special Committee at the Special Committee meeting held on August 27, 2025, during which it provided explanations regarding its answers and participated in a question-and-answer session and related discussions. Since September 29, 2025, the Tender Offeror and the Target Company have held discussions and negotiations on the Tender Offer Price on multiple occasions. Specifically, the Tender Offeror comprehensively took into consideration the information obtained through due diligence conducted by the Tender Offeror on the Target Company, an initial analysis of the value of the Target Company Stock conducted by JPMorgan Securities, the Tender Offeror's financial advisor, based on that information, and details of an initial analysis of the value of the Target Company Stock conducted by the Tender Offeror based on that information. As a result, on September 29, 2025, the Target Company made a proposal concerning the Transaction including to the effect that based on the premise that no year-end dividends will be paid for FY2026, the Tender Offer Price will be 2,300 yen (2,300 yen represents a premium of 2.68% (rounded to the second decimal place; hereinafter the same regarding calculation of the premium rates) on the closing price of 2,240 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of September 26, 2025, which is the business day prior to the day on which this proposal was made); 3.42% on the simple average closing price of 2,224 yen (rounded to the nearest Japanese yen; hereinafter the same regarding simple average closing prices) for the previous month up to the same date; 15.23% on the simple average closing price of 1,996 yen for the previous three months up to the same date; and 27.78% on the simple average closing price of 1,800 yen for the previous six months up to the same date). In response to this, on October 1, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price, stating that the Tender Offer Price was below the price level that would reflect the Target Company's intrinsic value. Based on such request, the Tender Offeror carefully considered the Tender Offer Price and on October 7, 2025, the Tender Offeror made another proposal to the Target Company and the Special Committee to the effect that the Tender Offer Price will be 2,400 yen (2,400 yen represents a premium of 9.24% on the closing price of 2,197 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 6, 2025, the business day prior to the day on which this proposal was made); 7.91% on the simple average closing price of 2,224 yen for the previous month up to the same date; 17.42% on the simple average closing price of 2,044 yen for the previous three months up to the same date; and 31.58% on the simple average closing price of 1,824 yen for the previous six months up to the same date). In response to this, on October 8, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price, stating that, based on the trend of the Target Company's share price, the premium level in other similar cases, and the trial calculation results of the share value of the Target Company Stock conducted by the Target Company's third-party valuation organization, the reproposed Tender Offer Price still did not fully reflect the Target Company's intrinsic value. Based on such request, the Tender Offeror carefully considered the

Tender Offer Price again and on October 14, 2025, the Tender Offeror made another proposal to the Target Company and the Special Committee to the effect that the Tender Offer Price will be 2,480 yen (2,480 yen represents a premium of 17.87% on the closing price of 2,104 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 10, 2025, the business day prior to the day on which this proposal was made); 12.37% on the simple average closing price of 2,207 yen for the previous month up to the same date; 19.63% on the simple average closing price of 2,073 yen for the previous three months up to the same date; and 34.05% on the simple average closing price of 1,850 yen for the previous six months up to the same date). In response to this, on October 15, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price, stating that, in light of the trial calculation results of the share value of the Target Company Stock conducted by the Target Company's third-party valuation organization, the reproposed Tender Offer Price still did not fully reflect the Target Company's intrinsic value and was not at the level to which the Target Company could agree based on the trend of the Target Company's share price and the premium level in other similar cases. Based on such request, the Tender Offeror carefully considered the Tender Offer Price again and on October 20, 2025, the Tender Offeror made another proposal to the Target Company and the Special Committee, which set the Tender Offer Price at 2,510 yen (which represents a premium of 19.47% on the closing price of 2,101 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 17, 2025, the business day prior to the day on which this proposal was made; 15.56% on the simple average closing price of 2,172 yen for the previous month up to the same date; 19.64% on the simple average closing price of 2,098 yen for the previous three months up to the same date; and 33.80% on the simple average closing price of 1,876 yen for the previous six months up to the same date.) In response to this, on October 22, 2025, the Target Company stated that the reproposed Tender Offer Price still did not fully reflect the Target Company's intrinsic value and was not at the level to which the Target Company could agree, compared to the premium level in other similar cases, and therefore, that the Tender Offeror reconsider the Tender Offer Price, taking into consideration synergies to be generated by implementing the Transaction and the distribution of such synergies. Based on such request, the Tender Offeror carefully considered the Tender Offer Price again. On October 24, 2025, the Tender Offeror made another proposal to the Target Company and the Special Committee, which set the Tender Offer Price at 2,550 yen (which represents a premium of 14.61% on the closing price of 2,225 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 23, 2025, the business day prior to the day on which this proposal was made; 17.95% on the simple average closing price of 2,162 yen for the previous month up to the same date; 20.51% on the simple average closing price of 2,116 yen for the previous three months up to the same date; and 34.28% on the simple average closing price of 1,899 yen for the previous six months up to the same date). In response to this, on October 27, 2025, the Target Company stated that the reproposed Tender Offer Price was still not sufficient for the Target Company to support the Transaction and recommend its general shareholders to tender in the Tender Offer, based on factors including comparison to the premium level in other cases similar to the Transaction, fair distribution of synergies to be generated by implementing the Transaction to general shareholders, and a price level that reflects the Target Company's intrinsic value, and requested that the Tender Offeror reconsider the Tender Offer Price. Based on such request, the Tender Offeror carefully considered the Tender Offer Price again. On October 28, 2025, the Tender Offeror presented a final proposal to the Target Company and the Special Committee, which set the Tender Offer Price at 2,600 yen (which represents a premium of 13.34% on the closing price of 2,294 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 27, 2025, the business day prior to the day on which this proposal was made; 20.31% on the simple average closing price of 2,161 yen for the previous month up to the same date; 22.12% on the simple average closing price of 2,129 yen for the previous three months up to the same date; and 36.13% on the simple average closing price of 1,910 yen for the previous six months up to the same date).

As a result, on October 29, 2025, the Tender Offeror received a response from the Target Company to the effect that it accepts the Tender Offeror's proposal, and the Tender Offeror and the Target Company agreed on the Tender Offer Price of 2,600 yen.

After these discussions and negotiations, in addition to the aforementioned agreement on the Tender Offer Price, on October 30, 2025, the Tender Offeror and the Target Company reached an agreement that the Target Company becoming a wholly owned subsidiary of the Tender Offeror is the best means to respond to the changing business environment surrounding the Tender Offeror and the Target Company and to contribute to the improvement of the corporate value of both companies, and the Tender Offeror resolved at its Board of Directors meeting today to implement the Tender Offer.

B. The Decision-Making Process and Reasons Leading the Target Company to Support the Tender Offer

(i) Background to Establishing a Consideration Framework

The Target Company received the Proposal from the Tender Offeror on July 7, 2025. In relation to the Transaction, the Target Company appointed Anderson Mori & Tomotsune as its legal advisor, independent of itself and the Tender Offeror, etc., and Daiwa Securities as its financial advisor and third-party valuation organization, independent of itself and the Tender Offeror, etc., on July 30, 2025. Receiving the Proposal, in light of the fact that the Tender Offeror is the controlling shareholder of the Target Company and that a structural conflict of interest may arise in the process of the Target Company considering the Transaction, in order to address these issues and ensure the fairness of the Transaction, the Target Company, based on advice of Anderson Mori & Tomotsune, immediately initiated the establishment of a system to consider, negotiate, and make decisions on the Transaction independently from the Tender Offeror, etc., with the aim of improving the Target Company's corporate value and securing the interests of its general shareholders. Specifically, as stated in "i. Background to the Establishment" in "(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report, by the Target Company" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below, the Target Company proceeded with preparations to establish a special committee, and with a resolution of the Board of Directors meeting held on July 30, 2025, which was immediately after receiving the Proposal from the Tender Offeror on July 7, 2025, it established a special committee (the "Special Committee") comprising the following six people: Mr. Masaaki Iritani (an independent outside director of the Target Company), Mr. Kiyotaka Ise (an independent outside director of the Target Company), Ms. Mariko Miyagi (an independent outside director of the Target Company), Mr. Hakaru Hyakushima (an independent outside corporate auditor of the Target Company), Ms. Tatsuko Koike (an independent outside corporate auditor of the Target Company), and Ms. Reiko Matsuda (an independent outside corporate auditor of the Target Company). (For details of the background to the consideration and details of the decision by, and other matters concerning, the Special Committee, please see "ii. Background to the Consideration" and "iii. Details of the Decision" in "(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report, by the Target Company" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below). The Target Company consulted with the Special Committee regarding the following matters: (i) whether the purpose of the Transaction is fair and reasonable (including whether the Transaction would contribute to improving the corporate value of the Target Company), (ii) whether the fairness and appropriateness of the conditions of the Transaction are ensured (including whether the level of consideration for the acquisition,

the method of the acquisition, the type of consideration for the acquisition, and other conditions of the Transaction, are fair), (iii) whether procedures to ensure the fairness of the conditions of the Transaction have been implemented sufficiently, (iv) whether the Transaction can be considered fair to general shareholders of the Target Company based on the foregoing items (i) through (iii) above, and (v) whether it is appropriate for the Board of Directors of the Target Company to express an opinion in support of the Tender Offer and recommend that shareholders of the Target Company tender their shares to the Tender Offer (collectively, the "Advisory Matters"). In addition, in establishing the Special Committee, the Board of Directors of the Target Company resolved that (i) it would make decisions regarding the Transaction while respecting the Special Committee's determinations to the fullest extent, including whether to support the Tender Offer, and that (ii) if the Special Committee determined that the conditions of the Transaction were not appropriate, the Board of Directors of the Target Company would resolve not to support the Transaction on such conditions. The Board of Directors of the Target Company further resolved to grant to the Special Committee the following authorities: (i) to appoint its own financial advisor, legal advisor, and other advisors as necessary when considering and making judgments regarding the Advisory Matters (in such case, the Target Company shall bear the reasonable costs), or to approve the Target Company's advisors (including subsequent approval), (ii) to receive information reasonably necessary for considering and making judgments on the Advisory Matters from the Target Company's officers and employees and other parties deemed necessary by the Special Committee, and (iii) to discuss and negotiate with the Tender Offeror conditions of, and other matters concerning, the Transaction as necessary (for the method of resolution at the Board of Directors of the Target Company, please see "i. Background to the Establishment" in "(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report, by the Target Company" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below).

As stated in "ii. Background to the Consideration" in "(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report, by the Target Company" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below, based on the authority described above, the Special Committee determined to appoint Plutus Consulting as its financial advisor and third-party valuation organization on August 6, 2025.

In addition, as stated in "(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report, by the Target Company" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below, the Target Company confirmed with the Special Committee that there were no issues regarding the independence from the Tender Offeror, etc. and the Target Company, or regarding the expertise, track records, etc., of the Target Company's financial advisor and third-party valuation organization Daiwa Securities, and its legal advisor Anderson Mori & Tomotsune, and obtained approval of the Special Committee for their appointment.

Furthermore, as stated in "(vi) Establishment of Independent Consideration Framework at the Target Company" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below, the Target Company established an internal system to consider, negotiate, and determine matters pertaining to the Transaction independently from the Tender Offeror, etc. (including the scope of officers and employees of the Target Company

involved in such consideration, negotiation, and determination, and their duties), and obtained approval of the Special Committee that there were no issues regarding the independence and fairness of that consideration framework.

(ii) Background to Consideration and Negotiation

In addition to receiving a report from Daiwa Securities regarding the results of the valuation of Target Company Stock, as well as advice on negotiation policies to use with the Tender Offeror and other financial advice, the Target Company subsequently received advice on measures to ensure fairness in the Transaction procedures and other legal advice from Anderson Mori & Tomotsune. Based on this, the Target Company carefully discussed and considered whether to implement the Transaction and the fairness and appropriateness of the conditions thereof, while respecting the Special Committee's opinion to the fullest extent.

Specifically, based on the receipt of the Proposal on July 7, 2025, the Target Company proceeded with the consideration and discussion at the Special Committee, and on August 13 of the same year, posed questions to the Tender Offeror in writing regarding the Matters of Inquiry. On August 22, 2025, the Target Company received a written response from the Tender Offeror regarding the Matters of Inquiry. Based on that response, the Target Company and the Special Committee conducted an additional interview regarding the Matters of Inquiry at the Special Committee meeting held on August 27, 2025, received an explanation regarding the response from the Tender Offeror, and held a question-and-answer session and discussion.

The Target Company has negotiated the Tender Offer Price with the Tender Offeror multiple times since September 29, 2025. Specifically, the Tender Offeror comprehensively took into consideration the information obtained through due diligence conducted by the Tender Offeror on the Target Company, an initial analysis of the value of the Target Company Stock conducted by JPMorgan Securities, the Tender Offeror's financial advisor, based on that information, and details of an initial analysis of the value of the Target Company Stock conducted by the Tender Offeror based on that information. As a result, on September 29, 2025, the Target Company received a proposal from the Tender Offeror regarding the Transaction, including setting the Tender Offer Price at 2,300 yen (which represents a premium of 2.68% on the closing price of 2,240 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of September 26, 2025, the business day prior to the day on which this proposal was made; 3.42% on the simple average closing price of 2,224 yen for the previous month up to the same date; 15.23% on the simple average closing price of 1,996 yen for the previous three months up to the same date; and 27.78% on the simple average closing price of 1,800 yen for the previous six months up to the same date), on the assumption that the year-end dividend for the fiscal year ending March 2026 will not be distributed. However, on October 1, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price, stating that, based on the fact that the Tender Offer Price was below the price level that would reflect the Target Company's intrinsic value, that the Target Company believed it not acceptable in light of the share price level at the time from general shareholders' viewpoint, and that the Tender Offer Price was at a level that should be considered more carefully based on the premium level in other similar cases and the recent trend of the Target Company's share price. Thereafter, on October 7, 2025, the Target Company received another proposal from the Tender Offeror, as a result of careful consideration, which set the Tender Offer Price at 2,400 yen (which represents a premium of 9.24% on the closing price of 2,197 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 6, 2025, the business day prior to the day on which this proposal was made; 7.91% on the simple average closing price of 2,224 yen for the previous month up to the same date; 17.42% on the simple average closing price of 2,044 yen for the previous three months up to the same date; and 31.58% on the simple average closing price of 1,824 yen for the previous six months up to the same date). However, on October 8, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price, stating that, based on the trend of the Target

Company's share price and the premium level in other similar cases, the Tender Offer Price was considerably insufficient for the Target Company to support the Transaction, and that it still did not fully reflect the Target Company's intrinsic value. In response to this, on October 14, 2025, the Tender Offeror made another proposal to the Target Company as a result of careful consideration, which set the Tender Offer Price at 2,480 yen (which represents a premium of 17.87% on the closing price of 2,104 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 10, 2025, the business day prior to the day on which this proposal was made; 12.37% on the simple average closing price of 2,207 yen for the previous month up to the same date; 19.63% on the simple average closing price of 2,073 yen for the previous three months up to the same date; and 34.05% on the simple average closing price of 1,850 yen for the previous six months up to the same date). In response to this, on October 15, 2025, the Target Company requested that the Tender Offeror repropose the Tender Offer, based on the following: (i) in light of the share valuation that had been conducted by the financial advisors appointed by the Target Company and the Special Committee, it believed that the reproposed Tender Offer Price still did not fully reflect the Target Company's intrinsic value and could not be deemed a fair and reasonable economic condition for the Target Company's general shareholders; (ii) the Target Company understood that the current Target Company Stock price appropriately reflected the intrinsic value, which incorporated the Target Company's operational results and growth potential, as well as the factor that a lack of transparency concerning the market due to the U.S. tariff policy, was resolved, as an evaluation of the market; (iii) in terms of comparison with premium levels in similar cases, the Target Company and the Special Committee had been considering not only comparisons with privatization cases that contemplated making the relevant target company a wholly owned subsidiary, but also comparisons with cases that had operated under similar circumstances as the present case, and compared to the premium levels in those cases, the proposed Tender Offer Price was still not at the level that the Target Company could accept for the Transaction. In response to this, on October 20, 2025, the Tender Offeror made another proposal to the Target Company which set the Tender Offer Price at 2,510 yen (which represents a premium of 18.04% on the closing price of 2,101 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 17, 2025, the business day prior to the day on which this proposal was made; 14.18% on the simple average closing price of 2,172 yen for the previous month up to the same date; 18.21% on the simple average closing price of 2,098 yen for the previous three months up to the same date; and 32.20% on the simple average closing price of 1,876 yen for the previous six months up to the same date), based on the belief that it could not be ruled out that the recent increase in the Target Company Stock price was due to increases in the Japanese stock market, rather than changes in the intrinsic value of the Target Company, and that, under such circumstances, it was not appropriate to assess premiums for the Tender Offer relying on comparison with other cases. In response to this, on October 22, 2025, the Target Company stated that the reproposed Tender Offer Price still did not fully reflect the Target Company's intrinsic value and was not at a level to which the Target Company could agree, compared to the premium level in other similar cases, and therefore, requested that the Tender Offeror repropose the Tender Offer Price, taking into consideration synergies to be generated by implementing the Transaction and the distribution of such synergies. In response to such request, on October 24, 2025, the Tender Offeror made another proposal to the Target Company, which set the Tender Offer Price at 2,550 yen (which represents a premium of 11.46% on the closing price of 2,225 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 23, 2025, the business day prior to the day on which this proposal was made; 14.71% on the simple average closing price of 2,162 yen for the previous month up to the same date; 17.20% on the simple average closing price of 2,116 yen for the previous three months up to the same date; and 30.60% on the simple average closing price of 1,899 yen for the previous six months up to the same date. In response to this, on October 27, 2025, the Target Company stated that, as a result of the sincere discussion on the proposed Tender Offer Price by the Target Company and the Special Committee, the Tender Offer Price was still not sufficient for the Tender Offeror to support the Transaction and recommend its general shareholders to tender in the

Tender Offer, based on factors including comparison to the premium level in other cases similar to the Transaction, fair distribution of synergies to be generated by implementing the Transaction for general shareholders, and a price level that reflects the Target Company's intrinsic value. Specifically, while the Tender Offeror's proposal indicated that the price was at a level that included a sufficient premium on the simple average closing price of the Target Company's share value for the previous six months, which did not rely on the latest uptrend of the Target Company's share value, the Target Company believes that the latest rise in the Target Company's share value is not due the uptrend of the stock market, but rather a recognition of its intrinsic strength and earning power as a company. Therefore, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price, taking into account not only the premium on the average share value for the previous six months but also the premiums on the average share value of the previous month and previous six months, and also the expectations of the market participants, including the Target Company's general shareholders, for the economic conditions of the Transaction. In response to such request, on October 28, 2025, the Tender Offeror made a final proposal to the Target Company, which set the Tender Offer Price at 2,600 yen (which represents a premium of 13.34% on the closing price of 2,294 yen of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange as of October 27, 2025, the business day prior to the day on which this proposal was made; 20.31% on the simple average closing price of 2,161 yen for the previous month up to the same date; 22.12% on the simple average closing price of 2,129 yen for the previous three months up to the same date; and 36.13% on the simple average closing price of 1,910 yen for the previous six months up to the same date). As a result, on October 29, 2925, the Target Company and the Special Committee responded that they would accept the Tender Offeror's proposal and the Tender Offer Price was agreed at 2,600 yen.

During this consideration and negotiation process, the Target Company, while discussing and negotiating with the Tender Offeror regarding the Tender Offer Price, based its considerations on an opinion elicited from the Special Committee and advice obtained from Daiwa Securities and Anderson Mori & Tomotsune. At that time, the Special Committee received advice from its advisor Plutus Consulting, and exchanged opinions with the Target Company and its advisors from time to time, to confirm and approve relevant matters as appropriate. Specifically, the Target Company confirmed with the Special Committee and obtained approval in advance regarding the reasonableness of the Target Company's business plan (the "Business Plan"), which Daiwa Securities and Plutus Consulting used as the basis for the valuation of the Target Company Stock, important prerequisites, and preparation process, among other matters. In addition, when negotiating with the Tender Offeror, Daiwa Securities, the Target Company's financial advisor, responded in accordance with the negotiation policy determined after deliberation by the Special Committee in advance. Every time the Target Company received a proposal regarding the Tender Offer Price from the Tender Offeror, it immediately reported to the Special Committee, and received opinions, instructions, requests, etc. from the Special Committee regarding the negotiation policy with the Tender Offeror and other matters, and responded in accordance therewith.

The Target Company received a written report (the "Written Report") dated October 29, 2025 from the Special Committee, which concluded that (i) the Transaction contributes to improving the corporate value of the Target Company, and the purpose the Transaction is legitimate and reasonable; (ii) the fairness and appropriateness of the conditions of the Transaction are ensured (including the fairness of the level of consideration for the acquisition, the method of the acquisition, the type of consideration for the acquisition, and other conditions of the Transaction); (iii) in the Transaction, the same level of measures to ensure fairness had been taken as that in similar transactions, and procedures to ensure the fairness of the conditions of the Transaction have been implemented sufficiently; (iv) based on foregoing items (i) through (iii), the Transaction can be considered fair to general shareholders of the Target Company; and (v) it is appropriate for the Board of Directors of the Target Company to express an opinion in support of the Tender Offer and recommend that shareholders of the Target Company tender their shares to the Tender Offer. (For an overview of the Written

Report, please see "iii. Details of the Decision" in "(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report, by the Target Company" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below). In addition to the Written Report, the Target Company also received from the Special Committee a share valuation report dated October 29, 2025 regarding the Target Company Stock, which the Special Committee received from Plutus Consulting (the "Share Valuation Report (Plutus Consulting)"), and a fairness opinion stating that the Tender Offer Price of 2,600 yen per share is fair to general shareholders of the Target Company from the financial perspective (the "Fairness Opinion (Plutus Consulting)") (for an overview of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), please see "(iv) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below).

(iii) Details of the Decision

In the context described above, during the Board of Directors meeting held today, the Target Company carefully discussed and considered whether the Transaction, including the Tender Offer, would contribute to the improvement of its corporate value, and whether the conditions of the Transaction, including the Tender Offer Price, were appropriate and fair, respecting to the fullest extent the Special Committee's determinations presented in the Written Report, based on the following: (i) legal advice received from Anderson Mori & Tomotsune; (ii) financial advice received from Daiwa Securities; (iii) the share valuation report regarding the Target Company Stock received as of October 29, 2025 from Daiwa Securities (the "Share Valuation Report (Daiwa Securities)") and the fairness opinion stating that the Tender Offer Price of 2,600 yen per share is fair to the shareholders of the Target Company (excluding the Tender Offeror and its related companies) from a financial perspective (the "Fairness Opinion (Daiwa Securities)"); and (iv) the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) provided through the Special Committee. As a result, as synergies described below can be expected, the Target Company came to the conclusion that becoming a wholly owned subsidiary of the Tender Offeror through the Transaction, including the Tender Offer by the Tender Offeror, would contribute to the improvement of the Target Company's corporate value.

<Advancement of existing businesses and expansion into new markets through the integration of both companies' technologies and customer bases>

The Target Company believes that the development of next-generation technologies will be promoted by combining the advanced technologies and intellectual property of the Tender Offeror Group with the Target Company's polymer materials technology and comprehensive evaluation technology. It anticipates that the consolidation of research and development resources will accelerate product development, establish a system to promptly introduce high-quality products to the market, and lead to the creation of new businesses. In addition, it believes that utilizing the Tender Offeror Group's overseas network will allow it to respond to the needs of each region, and it expects to increase its shares in overseas markets and strengthen its customer base. The Target Company believes that collaboration between business departments will improve its ability to make proposals to existing customers, enable the Target Company to offer products and services to a new customer base, and it expects that this will lead to an increase in sales.

Further, in terms of competitive advantage, combining the strengths of the Tender Offeror Group and the Target Company will facilitate complex technical proposals, such as material technology, thermal/electrical control technology, and mobility infrastructure design, which is a

unique integrated solution that is not available to other companies. Specifically, based on the polymer materials (such as rubber and resin) technology cultivated by the Target Company, weight reduction, heat resistance, vibration damping, etc. will be optimized, and by combining the technology with thermal and electrical control technologies (thermal management, insulation and conductivity control, sensing, etc.) essential for electrification and autonomous driving, the efficiency and safety of various equipment and systems will be improved. Furthermore, by applying mobility infrastructure design technology to design structures and systems that include not only vehicles but also social infrastructure such as roads, bridges, and charging facilities, comprehensive technical proposals will become possible. The Target Company believes that these will lead to a mid- to long- term enhancement of its ability to make proposals to domestic and overseas customers, and moreover, deepen partnerships in the development of next-generation vehicles.

<Revitalization of the organization and development of next-generation human resources through collaboration between human resources from different backgrounds>

The Target Company believes that personnel exchanges and joint training between the Tender Offeror Group and the Target Company will accelerate improvements in expertise and human resource development, mainly in technical, sales, and administrative departments, thereby enhancing the organizational strength of the entire group. The Target Company believes that the Tender Offeror making the Target Company its wholly owned subsidiary through the Transaction will increase the stability of the Target Company's organization, and will not have a direct impact on the employment of employees or existing business relationships, but rather will expand growth opportunities through integrated management as the Tender Offeror Group, which will contribute to the career development of employees and the deepening of relationships with business partners.

<Improvement of operational efficiency and optimization of resources through the integration of indirect functions and business foundation>

Management resources can be allocated optimally through the improvement of efficiency in the Target Company's administrative departments by utilizing the Tender Offeror Group's know-how in corporate functions, marketing, quality control, and other areas. Specifically, the Target Company believes that the sharing of purchase information and the integration of procurement management within the Tender Offeror Group will reduce raw material costs and logistics costs, as well as optimize the production and supply system. In addition, the integration of IT infrastructure and digital tools is expected to improve the efficiency of the entire operation, from design to production, sales, and customer service, and accelerate innovation. The Target Company also believes that the integration of the group strategy of the Tender Offeror Group will increase brand recognition and credibility across business sectors, thereby improving competitiveness in the market.

In addition, due to the tightening of the Corporate Governance Code and the restructuring of the Tokyo Stock Exchange, the system and operational burdens necessary for maintaining a listing are increasing year by year; accordingly, the Target Company believes that becoming a wholly owned subsidiary of the Tender Offeror will reduce the Target Company's management and disclosure burdens associated with maintaining its listing. This will allow the Target Company to concentrate management resources on growth investment, thereby expediting decision-making. As a result, the Target Company believes that sustainable growth can be achieved by optimizing the Target Company's business portfolio and concentrating management resources on growth areas through strategic integration within the group.

In general, delisting may cause (i) an impact on the financing methods through equity financing from the capital market, (ii) concerns regarding securing excellent human resources based on the improvement in social credibility and name recognition that the Target Company has enjoyed as a listed company, and (iii) an impact on stakeholders such as shareholders, employees, and business partners. However, in terms of (i), while the Target Company does not expect that financing from the capital market through equity financing will be necessary for the

time being, and its financing will not be affected as it has a sound financial foundation to date. Even if it is required to raise funds, it believes that it can expect capital support from the Tender Offeror Group, which has considerable financial resources. With regard to (ii), the Target Company believes that utilization of the social credibility and financing capabilities of the Tender Offeror Group can limit the impact caused by delisting, including the impact on recruitment activities. In terms of (iii), the Target Company has already secured a considerable business foundation, including a notable level of brand power, name recognition, and credibility, through its business activities to date, and as described in "C. Post-Tender Offer Management Policy" below, after the Target Company becomes a wholly owned subsidiary of the Tender Offeror, in order to ensure consistent progress in achieving the synergies, the Tender Offeror intends to work to accelerate collaboration between the Tender Offeror and the Target Company Group, expedite decision-making, and consolidate efforts to further improve the corporate value of the Target Company Group. It will engage in comprehensive discussions with the Target Company's management team regarding the streamlining of management resources and redistribution for overall optimization to improve corporate value. Moreover, the Tender Offeror intends to and hold discussions between the Tender Offeror and the Target Company after the successful completion of the Tender Offer to create an appropriate governance system that respects the Target Company's individuality and maximizes synergies for the Tender Offeror Group. Therefore, the Target Company believes that becoming a wholly owned subsidiary of the Tender Offeror through the Transaction will be accepted by the Target Company's shareholders, employees, business partners, and other stakeholders without any issues.

Furthermore, in light of the matters listed below, the Target Company determined that the Tender Offer Price and other conditions of the Tender Offer were fair, and that the Tender Offer would provide general shareholders of the Target Company with an opportunity to sell their shares of Target Company Stock at a price including reasonable premium and on reasonable conditions.

(a) As stated in "(ii) Share Valuation Report and Fairness Opinion Obtained by the Target Company from an Independent Third-Party Valuation Organization" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below, the results of a valuation of the Target Company Stock by Daiwa Securities as stated in the Share Valuation Report (Daiwa Securities) show that the Tender Offer Price exceeds the upper limit of the range of per-share value of the Target Company Stock calculated by the market share price analysis, and is within the range of per-share value of the Company Stock calculated by the comparable company analysis and the discounted cash flow analysis (the "DCF Analysis") and higher than the median (2,523 yen). In addition, the Target Company has obtained the Fairness Opinion (Daiwa Securities) from Daiwa Securities stating that the Tender Offer Price of 2,600 yen per share is fair, from a financial perspective, to shareholders of the Target Company, excluding the Tender Offeror and its related companies.

(b) As stated in "(iv) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below, the results of a valuation of the Target Company Stock by Plutus Consulting as stated in the Share Valuation Report (Plutus Consulting) show that the Tender Offer Price exceeds the upper limit of the range of per-share value of the Target Company Stock calculated by the market share price analysis, and is within the range of per-share value of the Target Company Stock calculated by the comparable company analysis and DCF Analysis and higher than the median of the range of share

value calculated by the DCF Analysis (2,523 yen). In addition, the Special Committee has obtained the Fairness Opinion (Plutus Consulting) from Plutus Consulting stating that the Tender Offer Price of 2,600 yen per share is fair, from a financial perspective, to general shareholders of the Target Company.

(c) The Tender Offer Price includes a premium of 20.59% on the closing price of 2,156 yen of the Target Company Stock in the Prime Market of the Tokyo Stock Exchange on October 29, 2025, which was the business day immediately preceding the date of announcement of the Tender Offer; 20.37% on the simple average closing price of 2,160 yen (rounded to the nearest whole number, hereinafter the same in calculations of simple average closing price) for the previous one month up to that date (from September 30, 2025 to October 29, 2025); 21.55% on the simple average closing price of 2,139 yen for the previous three months up to that date (from July 30, 2025 to October 29, 2025), 35.70% on the simple average closing price of 1,916 yen for the previous six months up to that date (from April 30, 2025 to October 29, 2025), respectively. Compared with 13 reference cases (the "Reference Cases") of tender offers by parent companies aimed at taking listed subsidiaries private that were announced between June 28, 2019 and October 24, 2025 (excluding two-step tender offers and unsuccessful cases) and whose purchase amounts were at least 100 billion yen, the distribution of premium rates, viewed in 10% increments, is as follows: the premium rates over the simple average closing prices for the one-month, three-month and six-month periods ending on the reference date have a mode of 20%–<30% (five cases for each of the past one-month, three-month and six-month periods), while the premium rate over the closing price on the reference date has a mode of 10%–<20% (four cases). Accordingly, the premium attached to the Tender Offer Price is judged to be at a level equal to or greater than the modal premium rates in the Reference Cases for the reference-date closing price and the one-month and three-month simple average closing prices. In addition, because the mean and median of the premiums over the six-month simple average closing price in the Reference Cases are 30.66% and 28.55%, respectively, and the premium attached to the Tender Offer Price exceeds those figures, the premium attached to the Tender Offer Price can be regarded as at least no less favorable than the premiums in the Reference Cases;

(d) In light of the Company's long-term share-price trend, the price exceeds the Company's historical closing prices since listing and the intraday high of 2,455 yen (the intraday high recorded on September 25, 2007)

(e) Measures to ensure the fairness of the Tender Offer, as stated in “(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)” in “B. Background to Calculation” in “(4) Grounds for Calculation of Purchase Price” in “2. Overview of the Purchase” below have been taken, and it can be concluded that interests of general shareholders are ensured.

(f) The Tender Offer Price was set by increasing 2,300 yen per share, the price initially proposed by the Tender Offeror, after taking the above measures and with substantial involvement of the Special Committee independent of the Target Company and the Tender Offeror, etc., and after sincerely negotiating with the Tender Offeror multiple times.

(g) As stated in “iii. Details of the Decision” in “(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee’s Written Report, by the Target Company” in “(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)” in “B. Background to Calculation” in “(4) Grounds for Calculation of Purchase Price” in “2. Overview of the Purchase” below, it was determined in the Written Report obtained by the Target Company from the independent Special Committee that the

fairness and appropriateness of the conditions of the Transaction, including the Tender Offer Price, are ensured.

Based on the above, at the Target Company's Board of Directors meeting held today, the Target Company passed a resolution to express an opinion in support of the Tender Offer and to recommend that the Target Company shareholders tender their shares in the Tender Offer.

For the method of resolution at the above Board of Directors meeting, please see "(vii) Approval of All Directors of the Target Company Without Conflict of Interest and Opinion of All Corporate Auditors of the Target Company Without Conflict of Interest That They Have No Objections" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below.

C. Post-Tender Offer Management Policy

To ensure consistent progress in achieving the synergies listed in "B. Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer," the Tender Offeror will work to accelerate collaboration between the Tender Offeror Group and the Target Company Group, expedite decision-making, and consolidate efforts to further improve the corporate value of the Target Company Group. In addition, the Tender Offeror will engage in comprehensive discussions with the Target Company's management team regarding the streamlining of management resources and redistribution for overall optimization that aim to improve corporate value. Note that at the present time, no decisions have been made concerning the management system/composition of the Board of Directors at the Target Company following the Tender Offer, including the potential dispatch of executives and other personnel matters. Once the Tender Offer has been completed, discussions will be held between the Tender Offeror and the Target Company to create an appropriate governance system that respects the Target Company's individuality and maximizes synergies for the Tender Offeror Group.

(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

The Tender Offeror and the Target Company have both implemented the following measures in order to ensure fairness of the Transaction, in view of the following circumstances: (i) the Target Company is a consolidated subsidiary of the Tender Offeror; and (ii) the Transaction, including the Tender Offer, constitutes a significant transaction with the Target Company's controlling shareholder, and as such, typically involves structural conflicts of interest and asymmetry of information between the Tender Offeror and the Target Company's general shareholders. In the following description, the measures taken by the Target Company are based on the Target Company Press Release and the explanations provided by the Target Company.

As described in "(1) Overview of the Tender Offer" above, as of today, the Tender Offeror holds 51,534,901 shares of the Target Company Stock (ownership ratio: 49.64%) directly and 1,220,423 shares of the Target Company Stock (ownership ratio: 1.18%) indirectly through the subsidiaries and affiliates of the Tender Offeror, totaling 52,755,324 shares of the Target Company Stock (ownership ratio: 50.81%), the Tender Offeror believes that if a minimum number of shares to be purchased that would satisfy the "majority of minority" is set with respect to the Tender Offer, this would destabilize successful completion of the Tender Offer and actually undercut the interests of general shareholders who seek to participate in the Tender Offer. Thus, the Tender Offeror has not set such a minimum number of shares to be purchased that would satisfy the "majority of minority" in the Tender Offer. However, as both the Tender Offeror and the Target Company have put in place the measures described below, the Tender Offeror believes that sufficient consideration has been

given to the interests of general shareholders of the Target Company. The Special Committee has decided in the Written Report that in light of the implementation status of other measures to ensure fairness, the mere fact that no conditions related to a majority of minority are set does not deny the fairness of the conditions of the Transaction. The Target Company has also reached this decision.

(i) Share Valuation Report Obtained by the Tender Offeror from an Independent Third-Party Valuation Organization

(ii) Share Valuation Report and Fairness Opinion Obtained by the Target Company from an Independent Third-Party Valuation Organization

(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report by the Target Company

(iv) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization

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

(vi) Establishment of Independent Consideration Framework at the Target Company

(vii) Approval of All Directors of the Target Company Without Conflict of Interest and Opinion of All Corporate Auditors of the Target Company Without Conflict of Interest That They Have No Objections

(viii) No Deal Protection Provisions

(ix) Measures to Ensure Opportunities for Shareholders of the Target Company to Appropriately Determine Whether to Tender in the Tender Offer

For details on the above, see "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" under "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" below.

(4) Policies Regarding Reorganization After the Tender Offer (Matters Regarding the So-Called Two-Stage Purchase)

As stated in "(1) Overview of the Tender Offer" above, it is the Tender Offeror's policy to make the Target Company its wholly owned subsidiary, and if the Tender Offeror is unable to acquire all the shares of the Target Company Stock (excluding Target Company Stock directly owned by the Tender Offeror, treasury shares owned by the Target Company, and Shares Owned by Wholly Owned Subsidiaries) through the Tender Offer, then after the Tender Offer is completed, the Tender Offeror plans to carry out procedures using the methods listed below to acquire all Target Company Stock, (excluding Target Company Stock directly owned by the Tender Offeror and treasury shares owned by the Target Company; as described in "(1) Overview of the Tender Offer" above, depending on the measures to be taken for the Shares Owned by Wholly Owned Subsidiaries, all or some of the Shares Owned by Wholly Owned Subsidiaries may be included).

A. Demand for Cash-Out

If, upon completion of the Tender Offer, the Tender Offeror and Wholly Owned Subsidiaries hold a total of 90% or more of the collective voting rights of all Target Company shareholders and becomes a "special controlling shareholder" as prescribed in Article 179, paragraph (1) of the Companies Act, then soon after the Tender Offer is settled, the Tender Offeror plans to demand that all shareholders of the Target Company who did not tender to the Tender Offer (excluding the Tender Offeror and the Target Company) (the "Shareholders Subject to Cash-Out") sell all shares in the Target Company that they own pursuant to the provisions of Part 2, Chapter 2, Section 4-2 of the Companies Act (the "Demand for Cash-Out"). In the Demand for Cash-Out, the Tender

Offeror plans to offer Shareholders Subject to Cash-Out an amount of money equivalent to the Tender Offer Price as the price per share for their Target Company Stock. In this case, the Tender Offeror will notify the Target Company of its intention to do so, and seek the Target Company's approval for the Demand for Cash-Out. If the Target Company, through a resolution of its Board of Directors, approves the Demand for Cash-Out, the Tender Offeror will, in accordance with the procedures set forth in relevant laws and regulations and without the need to obtain the approval of the Shareholders Subject to Cash-Out, obtain all the shares of the Target Company Stock owned by all Shareholders Subject to Cash-Out, on the acquisition date specified in the Demand for Cash-Out. Furthermore, the Tender Offeror will offer the same amount of money per share of Target Company Stock as that of the Tender Offer Price in compensation for the shares owned by the Shareholders Subject to Cash-Out. According to the Target Company Press Release, if the Tender Offeror informs the Target Company of its intent to execute a Demand for Cash-Out and issue notification of the matters prescribed in Article 179-2, paragraph (1) of the Companies Act, then the Target Company plans to approve the Demand for Cash-Out at a meeting of its Board of Directors. One of the procedures in the Companies Act that is meant to protect the rights of general shareholders in the above process, allows Shareholders Subject to Cash-Out to petition a court to determine the sale price of the Target Company Stock they own pursuant to Article 179-8 of the Companies Act and other relevant laws and statutory regulations, if a Demand for Cash-Out is made. Further, if such a petition is filed, the sale price of the Target Company Stock will be ultimately determined by court.

B. Share Consolidation

On the other hand, if the total number of voting rights of the Target Company Stock owned by the Tender Offeror and Wholly Owned Subsidiaries is less than 90% of the number of voting rights of all Target Company shareholders after the Tender Offer is completed, then soon after settlement, the Tender Offeror plans to request the Target Company to call an extraordinary general meeting of Target Company shareholders (the "Extraordinary Shareholders Meeting"); a meeting that will include proposal agenda items for a consolidation of shares of Target Company Stock pursuant to Article 180 of the Companies Act (the "Share Consolidation") and an amendment to the Articles of Incorporation to abolish the number of unit shares stipulated therein, on condition that the Share Consolidation takes effect. The Tender Offeror believes that it is preferable to hold the Extraordinary Shareholders Meeting as promptly as possible from the view point of improving the corporate value of the Target Company, and it plans to request the Target Company to issue a public notice of the establishment of a reference date during the period of purchase for the Tender Offer (the "Tender Offer Period") with the reference date for the Extraordinary Shareholders Meeting being a date close to and after the commencement of the date of the settlement for the Tender Offer (planned for approximately late December, 2025, as of today). According to the Target Company Press Release, as of October 30, 2025, the Target Company intends to hold an Extraordinary Shareholders Meeting scheduled for approximately mid-February, 2025, at the Tender Offeror's request. Note that the Tender Offeror intends to vote in favor of both the proposed agenda items listed above at this Extraordinary Shareholders Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, then as of the date that the consolidation takes effect, the number of shares owned by Target Company shareholders will be in proportion to the share consolidation ratio approved at the Extraordinary General Meeting. If the Share Consolidation results in fractions of less than one share, then Target Company shareholders with fractional shares will, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and statutory regulations, be paid the money that would have been obtained by selling Target Company Stock equivalent to the total number of fractions to the Target Company or the Tender Offeror (note that if the total number of fractions include a fraction that is less than 1 share, then that fraction will be rounded down; hereinafter the same). Regarding the sale price of the Target Company Stock that equate to the sum total of the fractions, the Tender Offeror plans to ensure that the sale results

in the amount paid to Target Company shareholders who did not tender to the Tender Offeror (except for the Tender Offeror and the Target Company) being the same as the Tender Offer Price multiplied by the number of the Target Company Stock owned by each such shareholder, before asking the Target Company to petition the court to endorse the discretionary sale of these shares. Although as of today, the consolidation ratio for Target Company Stock has yet to be determined, it is expected that it will be set so that any shareholders (excluding the Tender Offeror and the Target Company) who did not tender to the Tender Offeror end up owning a fraction of less than one share of Target Company Stock, allowing the Tender Offeror to become the sole owner of all the shares of the Target Company Stock (excluding treasury shares owned by the Target Company).

As the procedures under the Companies Act relevant to the above procedures for the purpose of protecting rights of general shareholders, pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and statutory regulations, if the Share Consolidation results in fractional shareholdings of less than one share, then the Target Company shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) may ask the Target Company to purchase all fractional shares (less than one share) that they own at a fair market price and may file a petition with the court to determine the price of the Target Company Stock. Further, if such a petition is filed, the purchase price of the Target Company Stock will be ultimately determined by court.

Note that, the Tender Offer is in no way intended to solicit support from shareholders of the Target Company at the Extraordinary Shareholders Meeting.

Each of the procedures mentioned in A. and B. above may take time, or may require changes to the method of implementation, depending on the status of revisions, enforcement, or interpretation by the authorities etc., of the relevant laws and statutory regulations. Note that, even in such an event, upon successful completion of the Tender Offer, the plan is to adopt a method which ensures that Target Company shareholders who did not tender to the Tender Offer (excluding the Tender Offeror and the Target Company) are ultimately paid an amount of money that equates to the number of shares they own in the Target Company multiplied by the Tender Offer Price. However, if a petition is filed to determine the trading price in connection with a Demand for Cash-Out, or alternatively to determine the price of shares purchased in a Share Consolidation, then ultimately the price will be determined by the court.

The specific procedures and timings, etc. for each of the scenarios listed above will be discussed by the Tender Offeror and the Target Company, and announced by the Target Company as soon as decisions are made. Note that the Tender Offer is in no way intended to solicit support from shareholders of the Target Company at the Extraordinary Shareholders Meeting. Furthermore, Target Company shareholders are responsible for confirming their own tax status with a tax or other expert if they tender to the Tender Offer or are subject to either of the squeeze out procedures listed above.

(5) Prospect of Delisting and Reasons Therefor

As of today, Target Company Stock is listed on the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange. However, in accordance with the delisting criteria set by the Tokyo Stock Exchange and the Nagoya Stock Exchange, the Stock may be delisted using prescribed procedures, depending on the outcome of the Tender Offer, as the Tender Offeror has not set the maximum number of shares to be purchased in the Offer. Even if the deal does not meet the criteria of the Tokyo Stock Exchange and the Nagoya Stock Exchange at the time the Tender Offer is completed, after its completion, it will fall under the delisting criteria if the procedures described above in “(4) Policies Regarding Reorganization After the Tender Offer (Matters Regarding the So-Called Two-Stage Purchase)” are implemented, and the Target Company Stock will then be delisted through the prescribed procedures. Note that, after the delisting, it will no longer be possible to trade the Target Company Stock on the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange.

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

Not applicable.

2. Overview of the Purchase

(1) Overview of the Target Company

(i)	Name	Sumitomo Riko Company Limited	
(ii)	Address	1, Higashi 3-chome, Komaki-shi, Aichi	
(iii)	Name and title of representative	Kazushi Shimizu, Representative Director and President & CEO	
(iv)	Business outline	Development, manufacture, and sale of products and rolling out of services in two business fields: automotive products and general industrial products.	
(v)	Capital stock	12,145 million yen (as of June 30, 2025)	
(vi)	Date of establishment	December 20, 1929	
(vii)	Major shareholders and shareholding ratios (ratio of number of shares owned to the total number of issued shares (excluding treasury shares) as of March 31, 2025 (%))	Sumitomo Electric Industries, Ltd.	49.64%
		MARUYASU INDUSTRIES CO., LTD.	8.57%
		The Master Trust Bank of Japan, Ltd. (trust account)	5.45%
		Sumitomo Riko Kyouei Stock Ownership Association	2.75%
		Sumitomo Riko Employee Stock Ownership Association	1.85%
		Custody Bank of Japan, Ltd. (trust account)	1.85%
		Fukoku Bussan Co., Ltd.	1.08%
		MSIP CLIENT SECURITIES (Morgan Stanley MUFG Securities as Standing Proxy)	1.00%
		STATE STREET BANK AND TRUST COMPANY 505223 (Mizuho Bank, Ltd. as Standing Proxy)	0.90%
		BNP PARIBAS LUXEMBOURG/ 2S/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS (The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch as Standing Proxy)	0.70%
(viii)	Relationship Between the Tender Offeror and the Target Company		

	Capital relationship	As of today, the Tender Offeror directly holds 51,534,901 shares of the Target Company Stock (ownership ratio: 49.64%), and together with the 1,220,423 shares (ownership ratio: 1.18%) of the Target Company Stock it indirectly holds through its subsidiaries and affiliates, it holds 52,755,324 shares of the Target Company Stock (ownership ratio: 50.81%), and the Target Company is the Tender Offeror's consolidated subsidiary.
	Personnel relationship	As of today, two out of eight directors of the Target Company (Kazushi Shimizu and Hideo Yamane) and one out of five audit and supervisory board members of the Target Company (Hirohisa Maeda) are from the Tender Offeror. Furthermore, as of today, five employees of the Tender Offeror are on secondment to the Target Company
	Business relationship	Not applicable.
	Status as related party	The Target Company is a consolidated subsidiary of the Tender Offeror, and therefore regarded as a related party of the Tender Offeror.

(Note) Information in "(vii) Major shareholders and shareholding ratios (ratio of number of shares owned to the total number of issued shares (excluding treasury shares) as of March 31, 2025 (%))" has been copied from the annual securities report of the 137th Fiscal Term submitted by the Target Company on June 20, 2025.

(2) Schedule and Other Matters

A. Schedule

Date of resolution by Board of Directors	October 30, 2025 (Thursday)
Date of public notice of commencement of tender offer	October 31, 2025 (Friday) An electronic public notice will be provided, and notification of such will be published in the Nihon Keizai Shimbun newspaper. Electronic public notice address: (https://disclosure2.edinet-fsa.go.jp/)
Submission date of tender offer registration statement	October 31, 2025 (Friday)

B. Initial Period of Purchase Set at the Time of Submission of Registration Statement

From October 31, 2025 (Friday) to December 15, 2025 (Monday) (30 business days)

C. Possibility for Extension at Request of Target Company

Not applicable.

(3) Purchase, etc. Price

2,600 yen per common share

(4) Grounds for Calculation of Purchase Price

A. Basis for Calculation

In determining the Tender Offer Price, the Tender Offeror requested JPMorgan Securities, its financial advisor and a third-party valuation organization independent of the Tender Offeror and the Target Company, to calculate the value of the Target Company Stock. JPMorgan Securities is not a related party of the Tender Offeror or the Target Company and does not have a material interest in the Transaction, including the Tender Offer.

JPMorgan Securities considered multiple share valuation methods and, as a result, selected the average market share price analysis, the comparable company analysis, and the DCF Analysis for calculating the value of the Target Company Stock. Since there is a market price for the Target Company Stock, the average market price analysis was used; although there are no companies that are completely identical, for the purpose of analysis, several listed companies were identified as having business activities similar to those of the Target Company, making it possible to estimate the value of the Target Company Stock using the comparable company analysis; and in order to reflect the status of the Target Company's future business activities in the valuation, the DCF Analysis was also used as a valuation method to calculate the value of the Target Company Stock. The Tender Offeror obtained the share valuation report as of today (the "Tender Offeror Valuation Report") from JPMorgan Securities. Further, since the Tender Offeror assessed and determined the Tender Offer Price through discussions and negotiations with the Target Company after comprehensively taking into account the factors described in "B. Background to Calculation" below, the Tender Offeror has not obtained an opinion on the fairness of the Tender Offer Price (a fairness opinion) from JPMorgan Securities.

According to the Tender Offeror Valuation Report, the applied methods and the range of the per share value of the Target Company Stock calculated using those methods are as described below.

Average market share price analysis	:	1,916 yen to 2,160 yen
Comparable company analysis	:	1,604 yen to 2,257 yen
DCF Analysis	:	2,222 yen to 3,627 yen

Under the average market share price analysis, JPMorgan Securities set the reference date as October 29, 2025, based on publicly available information, and assessed the range of the per share value of the Target Company Stock to be 1,916 yen to 2,160 yen, based on the closing price of 2,156 yen on the Prime Market of the Tokyo Stock Exchange on the reference date, the simple average closing price for the previous one month up to the same date of 2,160 yen, the simple average closing price for the previous three months up to the same date of 2,139 yen, and the simple average closing price for the previous six months up to the same date of 1,916 yen.

For the comparable company analysis, JPMorgan Securities selected the most appropriate comparable companies as of October 29, 2025, based on the judgment that there were no companies with business activities and scale completely identical to the Target Company, and analyzed the range of the per share value of the Target Company Stock to be 1,604 yen to 2,257 yen through comparison with the market prices, growth rates, and financial statements indicating profitability, etc., of the selected comparable companies.

Under the DCF Analysis, based on the business plan and financial forecast for the fiscal year ended March 2025 to the fiscal year ending March 2030 which the Tender Offeror created based on the Business Plan and provided to JPMorgan Securities and the results of interviews with the Tender

Offeror and the Target Company and of due diligence procedures, as well as other various factors, including publicly available information, JPMorgan Securities assessed the range of the per share value of the Target Company Stock to be 2,222 yen to 3,627 yen through a share value calculation that discounted to the present value using a discount rate for a certain range of the free cash flows expected to be generated by the Target Company in and after 2026.

The Target Company's business plan and financial forecast for the fiscal year ended March 2025 to the fiscal year ending March 2030, which JPMorgan Securities used for the DCF Analysis, did not include a substantial increase or decrease in profit and free cash flow. The Target Company's future financial forecasts relied on under the DCF Analysis did not assume that the Transactions would be implemented and the synergy effects. A supplementary explanation of the Tender Offeror Valuation Report and the underlying preconditions for calculating the value of the Target Company Stock, the matters considered, and the consideration limitations are as described in (Note 1).

Based on the calculation details and results described in the Tender Offeror Valuation Report obtained from JPMorgan Securities, the Tender Offeror has decided to set the Tender Offer Price as 2,600 yen per share, which exceeds the upper limit of the valuation range based on the average market share price analysis and the comparable company analysis and is the range of DCF Analysis, by comprehensively taking into account, among others, the results of due diligence conducted on the Target Company from early August 2025 to early September 2025, whether the Target Company's Board of Directors was in support of the Tender Offer, trends in the market prices of the Target Company Stock, and the prospect of shareholders tendering in the Tender Offer, as well as through discussions and negotiations with the Target Company.

The Tender Offer Price of 2,600 yen per share is an amount that includes the following premiums: a premium of 20,59% over the closing price of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange of 2,156 yen as of October 29, 2025, the business day immediately preceding the announcement date of the Tender Offer; a premium of 20.37% over the simple average closing price of 2,160 yen for the previous one month period until that date; a premium of 21.55% over the simple average closing price of 2,139 yen for the previous three-month period until that date; and a premium of 35.70% over the simple average closing price of 1,916 yen for the previous six-month period until that date.

(Note 1) In conducting the valuation of the share price of the Target Company Stock, which is the basis for the Tender Offeror Valuation Report, JPMorgan Securities has relied upon and assumed the accuracy and completeness of all information that was publicly available information or furnished to or discussed with JPMorgan Securities by the Tender Offeror or the Target Company, or otherwise reviewed by or for JPMorgan Securities, and JPMorgan Securities has not independently verified (nor has it assumed responsibility or liability for independently verifying) the accuracy or completeness of such information. JPMorgan Securities has not conducted or been provided with any valuation or appraisal of any assets or liabilities of the Tender Offeror or the Target Company, nor has it provided such an evaluation or appraisal; nor has not evaluated the solvency of the Tender Offeror or the Target Company under any applicable laws relating to bankruptcy, insolvency, or similar matters. In relying on financial analyses or forecasts provided to JPMorgan Securities by the Tender Offeror and the Target Company or derived therefrom, JPMorgan Securities has assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgements by management of the Tender Offeror and of the Target Company, as of the date of the Tender Offeror Valuation Report, as to the expected future results of operations and financial condition of the Tender Offeror and the Target Company to which such analyses or forecasts relate. JPMorgan Securities expresses no view as to any such analyses or forecasts or the assumptions on which they were based. JPMorgan Securities has also assumed that the Tender Offer and other transactions contemplated by the Tender Offeror would be consummated as contemplated, and will have all of the effects described in the related materials furnished to JPMorgan Securities by the Tender Offeror. JPMorgan Securities is not an expert in legal, regulatory, tax, accounting, or other matters, and has relied on the assessments made by advisors to the Tender Offeror with respect to such matters. JPMorgan Securities further assumes that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Tender Offer will be obtained without any adverse effect on the Tender Offeror

or the Target Company or on the contemplated benefits of the Tender Offer. The Tender Offeror Valuation Report, and the results of the valuation of the share price of the Target Company Stock that was the basis of such report, are necessarily based on the information available to JPMorgan Securities as of the date of such report and the economic, market and other conditions in effect as of such date. It should be understood that subsequent developments may affect the Tender Offeror Valuation Report, and the results of the valuation of the share price of the Target Company Stock that was the basis of such report, and that JPMorgan Securities does not have any obligation to update, revise or reaffirm its analyses and valuation. Furthermore, the Tender Offeror Valuation Report, and the results of the valuation of the share price of the Target Company Stock that was the basis of such report, do not recommend a specific purchase price to the Tender Offeror or its Board of Directors, nor recommend that a specific purchase price is the sole appropriate purchase price. JPMorgan Securities has acted as the financial advisor to the Tender Offeror with respect to the Tender Offer and will receive a fee from the Tender Offeror for the services as such financial advisor, a certain portion of which will become payable only if the Tender Offer is consummated. In addition, the Tender Offeror has agreed to indemnify JPMorgan Securities for certain liabilities that may arise from such services. During the two year preceding the date of the Tender Offeror Valuation Report, JPMorgan Securities and its affiliates have provided financial advisory, commercial banking, or investment banking services to the Tender Offeror and have received ordinary compensation for such services, and may continue to provide such services and receive ordinary compensation in the future. During this period, JPMorgan Securities and its affiliates have not provided any material financial advisory, commercial banking service, or investment banking services to the Target Company. In addition, JPMorgan Securities and its affiliates hold, on a proprietary basis, less than 1% of the outstanding shares of the Tender Offeror and the Target Company. In the ordinary course of their business, JPMorgan Securities and its affiliates may actively trade the debt and equity securities issued by the Tender Offeror and the Target Company for its own account or for the accounts of their customers and, accordingly, JPMorgan Securities and its affiliates may at any time hold long or short positions in such securities. The Target Company's financial forecast on which JPMorgan Securities based its analysis of the value of the Target Company Stock (the "Financial Forecasts") was created by the Tender Offeror based on the Business Plan and provided to JPMorgan Securities. The Tender Offeror has not released the Financial Forecast to the public, and it was not prepared for the purpose of being made available to the public. The Financial Forecast is inherently uncertain and relies on many variables and preconditions that cannot be managed or controlled by management of the Tender Offeror or of the Target Company (including but not limited to the general economy, competitive conditions, and factors relating to current interest rates). Therefore, the Target Company's actual performance may be significantly different from the Financial Forecast. The above calculation results of the valuation of the share price of the Target Company Stock, on which the Tender Offeror Valuation Report is based, and the descriptions of the outlined calculation methods do not include all of the analyses performed by JPMorgan Securities or the reference data. Since the Tender Offeror Valuation Report was prepared through a complicated process, a part of the analysis results or the summarized descriptions do not necessarily represent all of the content of the analysis accurately. The results of JPMorgan Securities' analysis should be considered as a whole, and if only a part of the analysis results or their summaries is referenced instead of considering the analysis results as a whole, the process on which JPMorgan Securities' analysis was based may not necessarily be understood accurately. JPMorgan Securities performed the analysis by comprehensively taking into consideration the respective analyses and factors as a whole without putting a particular emphasis on a specific analysis or factor. In addition, JPMorgan Securities neither asserts that each of the analyses or factors it considered individually contributes to JPMorgan Securities' analysis nor expresses an opinion on how much any such analyses or factors may contribute. Additionally, the companies selected for comparison in the analysis were chosen by JPMorgan Securities for the purpose of the analysis because they are publicly traded companies (in some cases) engaged in businesses considered to be similar to that of the Target Company. However, those companies are not identical to the Target Company's business segment or subsidiaries. Therefore, the analysis by JPMorgan Securities necessarily involves complex considerations and judgments regarding differences in the financial and business characteristics of the companies selected for comparison with the Target Company, as well as other factors that might affect those companies.

B. Background to Calculation

(Background Leading to the Decision of the Tender Offer Price)

Please refer to "A. Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" in "1. Purpose of the Purchase" above.

(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)

The Tender Offeror and the Target Company have both implemented the following measures in order to ensure fairness of the Transaction, realizing and in response to the following issues: (i) the Target Company is a consolidated subsidiary of the Tender Offeror; and (ii) the Transaction, which includes the Tender Offer, constitutes a significant transaction with the Target Company's controlling shareholder, and is a transaction where the issues of structural conflicts of interest and of asymmetry of information typically subsist between the Tender Offeror and the Target Company's general shareholders. The measures described below implemented with respect to the Target Company were based on explanations received from the Target Company.

As described in "(1) Overview of the Tender Offer" of "1. Purpose of the Purchase" above, as of today, the Tender Offeror directly owns 51,534,901 shares of the Target Company Stock (ownership ratio: 49.64%) and indirectly owns 1,220,423 shares of the Target Company Stock (ownership ratio: 1.18%) through the Tender Offeror's subsidiaries and related companies (in total, 52,755,324 shares of the Target Company Stock (ownership ratio: 50.81%); therefore, the Tender Offeror believes that if a minimum planned purchase quantity that would satisfy the "majority of minority" is set with respect to the Tender Offer, this would destabilize completion of the Tender Offer and actually undercut the interests of general shareholders who seek to participate in the Tender Offer. Thus, the Tender Offeror has not set such a minimum planned purchase quantity that would satisfy the "majority of minority" in the Tender Offer. However, as both the Tender Offeror and the Target Company have put in place the measures described below, the Tender Offeror believes that sufficient consideration has been given to the interests of general shareholders of the Target Company. The Special Committee has decided in the Written Report that given the status of implementation of other measures to ensure fairness, the absence of such a majority of minority conditions alone will not rule out the fairness of the conditions of the Transaction. The Target Company has also reached this decision.

(i) Share Valuation Report Obtained by the Tender Offeror from an Independent Third-Party Valuation Organization

When determining the Tender Offer Price, the Tender Offeror requested that JPMorgan Securities, a financial advisor and a third-party valuation organization independent of the Tender Offeror and the Target Company, calculate the share value of the Target Company Stock, and obtained the Tender Offeror Valuation Report dated today regarding the results of the calculation of the share value of the Target Company Stock. For details of the Tender Offeror Valuation Report regarding the results of the calculation of the share value of the Target Company Stock obtained by the Tender Offeror from JPMorgan Securities, please see "A. Basis for Calculation" above.

(ii) Share Valuation Report and Fairness Opinion Obtained by the Target Company from an Independent Third-Party Valuation Organization

i. Name of the Valuation Organization and its Relationship with the Target Company and the Tender Offeror

When expressing a opinion regarding the Tender Offer, the Target Company requested that Daiwa Securities, its financial advisor, calculate the share value of the Target Company Stock and express an opinion from a financial perspective regarding the fairness of the terms of the Transaction, including the Tender Offer Price, to the general shareholders of the Target Company, as a third-party valuation organization independent of the Tender Offeror, etc. and the Target Company

Group, and obtained the Share Valuation Report (Daiwa Securities) and the Fairness Opinion (Daiwa Securities) dated October 29, 2025.

Daiwa Securities is neither a related party to the Tender Offeror, etc. or the Target Company Group, nor does it have a material interest in the Tender Offer that should be noted. The remuneration to Daiwa Securities in connection with the Transaction includes a contingency fee to be paid subject to conditions such as the successful consummation of the Transaction; however, the Target Company appointed Daiwa Securities as its financial advisor and a third-party valuation organization in accordance with the above remuneration structure, taking into account the general practice of similar transactions, and other matters.

ii. Overview of the Calculation of the Target Company Stock

After considering the calculation method to be adopted in calculating the value of the Target Company Stock from among multiple calculation methods, Daiwa Securities analyzed and calculated the per-share value of the Target Company Stock using the following methods, based on its opinion that it was appropriate to evaluate the value of the Target Company Stock from multiple perspectives based on the premise that the Target Company is a going concern: the market share price analysis (taking into consideration trends in the market share price of the Target Company), the comparable company analysis (given the existence of a number of listed companies comparable to the Target Company, allowing for the inference of the share value of the Target Company through comparison with those companies); and the DCF Analysis (in order to reflect the details of the business results and prospects of the Target Company in the evaluation). The Target Company obtained the Share Valuation Report (Daiwa Securities) dated October 29, 2025 from Daiwa Securities.

The ranges of the per-share value of the Target Company Stock calculated by Daiwa Securities using those methods are as follows:

Market share price analysis:	1,916 yen to 2,160 yen
Comparable company analysis	1,768 yen to 3,672 yen
DCF Analysis:	2,040 yen to 3,005 yen

The Business Plan that Daiwa Securities used as the basis for calculating the value of the Target Company Stock was formulated by a team of Mr. Hideo Yamane, a director of the Target Company, as well as employees from the Target Company, who do not have a material interest in the Tender Offeror for the purpose of considering the appropriateness of the terms of the Transaction. It was thereafter considered and approved, by the Special Committee. The Business Plan consists of five periods from the fiscal year ending March 2026 to the fiscal year ending March 2030, which represents the period for which the Target Company may reasonably project its future performance based on the planned production volumes of major automobile manufacturers. In preparing the Business Plan, the Target Company assumed that although it would be adversely affected by high tariffs in the United States, it would be able to partially offset such impact by passing on increased costs to its automotive customers. At the same time, the Target Company planned to secure profitability by developing new products in response to electrification trends, implementing cost-reduction initiatives, and taking steps to reduce expenses. The anticipated synergy effects resulting from the implementation of the Transaction have not been reflected in the Business Plan as it is currently difficult to accurately estimate such effects. In addition, The Business Plan does not include any significant deviation from the forecast of the consolidated results for the fiscal year ending March 2026 announced by the Target Company on July 30, 2025.

Under the market share price analysis, Daiwa Securities set October 29, 2025 as the reference date, and calculated the per-share value of the Target Company Stock to range from 1,916 yen to 2,160 yen, based on the following prices of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange: the closing price on the reference date (2,156 yen); the simple average of the closing price for the previous one month (from September 30, 2025 to October 29, 2025) (2,160 yen); the simple average of the closing price for the previous three months (from July 30, 2025 to October 29, 2025) (2,139 yen); and the simple average of the closing price for the previous six months (from April 30, 2025 to October 29, 2025) (1,916 yen).

Under the comparable company analysis, Daiwa Securities selected Toyoda Gosei Co., Ltd., NOK Corporation, Eagle Industry Co., Ltd., Nishikawa Rubber Co., Ltd., and Fukoku Co., Ltd. as comparable listed companies that were determined to be similar to the Target Company, and the per-share value of the Target Company Stock was calculated to range from 1,768 yen to 3,672 yen using the ratio of the corporate value to EBITDA.

Under the DCF Analysis, the Target Company's corporate value and share value were analyzed by discounting the free cash flow that is expected to be generated by the Target Company in and after the second quarter of the fiscal year ending March 2026 at a certain discount rate to the present value, based on the Business Plan, and on the premise of relevant factors, including profits and investment plans in the Business Plan, financial information of the Target Company for the first quarter of the fiscal year ending March 2026, publicly available information, and other factors. Using this methodology, the per-share value of the Target Company Stock was calculated to range from 2,040 yen to 3,005 yen. In addition, using the weighted average cost of capital, the discount rate of 8.5% to 9.5% was adopted, and the calculation was conducted including the size risk premiums, taking into consideration the Target Company's size When calculating the terminal value, the multiplier model and constant growth rate model were adopted. Under the multiplier model, the same companies selected in the comparable company analysis were used, and the terminal value was calculated to range from 3.275 hundred million yen to 4.503 hundred million yen, using the ratios of the corporate value of 4.0 to 5.5 to EBITDA. Under the constant growth rate model, the perpetual growth rate of 0.0 % to 2.0% was used, and the terminal value of the Target Company was calculated to range from 3.237 hundred million yen to 4.331 hundred million yen, taking into consideration domestic and foreign inflation rates, the growth rate of the industry to which the Target Company belongs, and other factors. As material assets, cash and deposits were taken into consideration in the calculation of the share value, after deducting the amount of cash and deposits required for business, which was estimated comprehensively based on the Target Company's past financing activities.

The figures of the financial projections of the Target Company used as the premise of the calculation under the DCF Analysis are as follows. The Target Company's financial projections do not include fiscal years in which significant increases or decreases in profits are expected.

(Unit: in millions of yen)

	FY ending in March 2026 (Nine months)	FY ending in March 2027	FY ending in March 2028	FY ending in March 2029	FY ending in March 2030
Net Sales	465,217	638,065	656,726	670,449	700,006
Operating income	27,867	40,166	41,392	41,763	43,934
EBITDA	53,821	76,011	77,550	78,918	81,876

Free cash flow	22,312	23,358	23,830	24,862	24,241

iii. Overview of the Fairness Opinion (Daiwa Securities)

The Target Company obtained the Fairness Opinion (Daiwa Securities) dated October 29, 2025 from Daiwa Securities stating that the Tender Offer Price of 2,600 yen per share is, from a financial perspective, fair to the shareholders of the Target Company (excluding the Tender Offeror and its affiliates) (Note 2). The Fairness Opinion (Daiwa Securities) was issued by Daiwa Securities after the analysis and consideration of financial information, including business prospects, a question-and-answer session with the Special Committee, consideration of the results of the valuation of the Target Company Stock by Daiwa Securities, a question-and-answer session with the Target Company and the Special Committee concerning the process and background leading to support the Tender Offer, and the approval of the preparation and submission thereof at Daiwa Securities' fairness opinion approval meeting.

(Note 2) In expressing the opinion stated in the Fairness Opinion (Daiwa Securities), Daiwa Securities has assumed the accuracy and completeness of all materials and information that was analyzed and reviewed by Daiwa Securities., and Daiwa Securities has not independently verified, nor does it have any obligation to independently verify the accuracy or completeness of those materials and information. In expressing the opinion stated in the Fairness Opinion (Daiwa Securities), Daiwa Securities assumed that no event that is undisclosed to Daiwa Securities in relation to the Target Company and may affect the corporate value of the Target Company has occurred as of the date when the opinion is expressed in the Fairness Opinion (Daiwa Securities). Daiwa Securities has not independently conducted any valuation, appraisal, or assessment of any assets or liabilities (including, without limitation, derivatives, off-balance sheet assets and liabilities, and other contingent liabilities) of the Target Company or its affiliates, including analyzing and evaluating their individual assets and liabilities, nor has it made a request to a third-party organization for valuation, appraisal, or assessment. Daiwa Securities has not evaluated the solvency or creditworthiness of the Target Company and its affiliates under any applicable laws and regulations relating to bankruptcy, insolvency, or similar matters. Daiwa Securities has not made an on-site inspection of any property or equipment of the Target Company and its affiliates, nor does it have any obligation to do so.

In expressing the opinion stated in the Fairness Opinion (Daiwa Securities), Daiwa Securities assumed that the Business Plan, financial forecasts, and other forward-looking information provided to Daiwa Securities were reasonably prepared by the management of the Target Company based on the best forecasts and judgment available at that time, and relied on those information with the Target Company's consent without conducting independent verification. Daiwa Securities assumed that no changes in circumstances would occur that could materially affect the assets, financial condition, business, or future outlook of the Target Company on or after the date when the Business Plan, financial forecasts, and other forward-looking information were prepared or submitted to Daiwa Securities. In expressing the opinion stated in the Fairness Opinion (Daiwa Securities) and performing analysis used as the basis for the opinion, Daiwa Securities has made a number of assumptions about industry conditions, general business and economic conditions, and other matters, many of which are beyond the control of the Target Company or the Tender Offeror. All forecasts included in Daiwa Securities' analysis do not necessarily represent future results or actual values, and such results or values may be significantly better or worse than those implied by such forecasts.

Daiwa Securities has assumed that all governmental, regulatory, or other consents and approvals required for the completion of the Tender Offer would be obtained without having any adverse effect on the benefits expected by the Tender Offer. Daiwa Securities has not been requested by the Target Company to consider the decision-making of the Target Company regarding the completion of the Tender Offer or comparative evaluations of other strategic options with the Tender Offer, nor has it conducted such consideration. Daiwa Securities is not a legal, accounting, or tax expert, and has not independently analyzed and reviewed the lawfulness and effectivity of any matters concerning the Tender Offer, as well as the appropriateness of accounting and tax treatment, nor does it have any obligation to do so.

Daiwa Securities will receive a fee as consideration for providing advisory services regarding the Tender Offer (the "Advisory Services"), in addition to the fee already received. The Target Company has agreed to indemnify for certain liabilities that may arise in connection with the Advisory Services of Daiwa Securities.

Daiwa Securities and its affiliates are providing or will provide investment and financial services, including securities related services, to the Target Company and its affiliates for a fee. In addition, Daiwa Securities and its affiliates may trade or own the financial instruments including securities and derivatives of the Target Company and its affiliates for their own or their customers' account.

The Fairness Opinion (Daiwa Securities) was prepared for the sole purpose of the Target Company's Board of Directors using it as reference information for considering the Tender Offer Price. Daiwa Securities does not intend to recommend a specific purchase price to the Target Company or its Board of Directors, nor does it intend to recommend a specific purchase price as the only appropriate price. The Target Company may not disclose, deliver, or make reference to the Fairness Opinion (Daiwa Securities) to a third party without the written prior consent of Daiwa Securities. The opinion stated in the Fairness Opinion (Daiwa Securities) is not addressed to any third party other than the Target Company's Board of Directors, and that third party may not trust or rely on it for any purpose. Furthermore, Daiwa Securities' opinion stated in the Fairness Opinion (Daiwa Securities) does not make any recommendation or solicitation about the exercise of shareholder rights such as voting rights in connection with the Tender Offer, transfer or acquisition of the Target Company Stock, and other related matters to the general shareholders of the Target Company.

In the Fairness Opinion (Daiwa Securities), Daiwa Securities only provides opinions about whether the Tender Offer Price is fair for the Target Company's general shareholders, excluding the Tender Offeror and its affiliates, from a financial perspective, and it was not requested to express and has not expressed its opinion about whether the Tender Offer Price is fair for a third party other than the general shareholders of the Target Company excluding the Tender Offeror and its affiliates, or any other matters. In the Fairness Opinion (Daiwa Securities), Daiwa Securities does not express its opinion about the assumptions or suppositions which form the basis for the decision of the Tender Offer Price, or the Target Company's decision-making regarding the Tender Offer. In addition, in the Fairness Opinion (Daiwa Securities), Daiwa Securities does not express any opinion regarding the price of the Target Company Stock which will be traded on or after the date of the Fairness Opinion (Daiwa Securities).

Regarding the Tender Offer Price, Daiwa Securities does not express its opinion about the fairness of the amount or the nature of any compensation to be received by all officers, directors, employees, or similar individuals involved in the Tender Offer.

In preparing the Fairness Opinion (Daiwa Securities), Daiwa Securities was not given authority by the Target Company or its Board of Directors to solicit interest in the acquisition of all or any part of the Target Company from a third party other than the Tender Offeror, nor has it made such solicitation in the past.

Daiwa Securities' opinion stated in the Fairness Opinion (Daiwa Securities) is based on the financial, economic, market, and other conditions as in effect as of the date of the Fairness Opinion (Daiwa Securities), and relies on other information available made to Daiwa Securities by and as of that date. In addition, Daiwa Securities' opinion stated in the Fairness Opinion (Daiwa Securities) may be affected by changes in the subsequent situation; however, Daiwa Securities does not have any obligation to update, revise, or reaffirm the opinion.

(iii) Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report, by the Target Company

i. Background to the Establishment

The Target Company established the Special Committee by resolution at the Board of Directors meeting of the Target Company held on July 30, 2025, as described in "(i) Background to Establishing a Consideration Framework" in "B. The Decision-Making Process and Reasons Leading the Target Company to Support the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" in "1. Purpose of the Purchase" above. Before establishing the Special Committee, the Target Company had notified all of its independent outside directors and independent outside audit and supervisory board members individually of the following from July 7, 2025 on which it received the Proposal from the Tender Offeror, with the advice of

Anderson Mori & Tomotsune, in order to establish a system to consider, negotiate and make decisions for the Transaction so as to enhance its corporate value and secure the interests of its general shareholders independent from the Tender Offeror: (a) the Target Company had received a proposal for the Transaction from the Tender Offeror; and (b) it would be necessary to take full measures to secure the fairness and appropriateness of the terms of the Transaction, including establishing the Special Committee, in considering and negotiating the Transaction, as the Transaction typically involved the issues of structural conflicts of interest and of asymmetry of information. At the same time, the Target Company also ascertained the independency and qualification of its independent outside officers who would be candidates for the Special Committee members, with the advice of Anderson Mori & Tomotsune. The Target Company then selected the following six persons as candidates for the Special Committee members: Mr. Masaaki Iritani (an independent outside director of the Target Company), Mr. Kiyotaka Ise (an independent outside director of the Target Company), Ms. Mariko Miyagi (an independent outside director of the Target Company), Mr. Hakaru Hyakushima (an independent outside corporate auditor of the Target Company), Ms. Tatsuko Koike (an independent outside corporate auditor of the Target Company), and Ms. Reiko Matsuda (an independent outside corporate auditor of the Target Company) (Mr. Masaaki Iritani, an independent outside director of the Target Company, was elected from among the Special Committee members, and assumed the office of the chair of the Special Committee, and the members of the Special Committee has not been changed since its establishment). A fixed amount of remuneration will be paid to each member of the Special Committee as consideration of duties thereof, regardless of the details of the report.

Then, as described in "(i). Background to Establishing a Consideration Framework" in "B. The Decision-Making Process and Reasons Leading the Target Company to Support the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" in "1. Purpose of the Purchase" above, the Target Company established the Special Committee pursuant to a resolution at the meeting of the Board of Directors of the Target Company held on July 30, 2025, and consulted with the Special Committee on the Advisory Matters. In addition, in establishing the Special Committee, the Board of Directors of the Target Company resolved that (i) it should respect the Special Committee's determinations to the fullest extent in making decisions regarding the Transaction, including whether to support the Tender Offer, and that (ii) if the Special Committee determines that the terms of the Transaction are not appropriate, the Board of Directors of the Target Company should not pass a resolution to support the Transaction implemented on such terms. The Board of Directors of the Target Company further resolved to grant to the Special Committee the following authorities: (i) to appoint its own advisors, including financial advisor and legal advisor, as necessary when considering and making decisions regarding the Advisory Matters (in such case, reasonable expenses shall be borne by the Target Company), or to approve the Target Company's advisors (including giving subsequent approval); (ii) to receive information reasonably required for considering and making decisions regarding the Advisory Matters from the Target Company's officers and employees or any other party whom the Special Committee determines to be necessary; and (iii) to discuss and negotiate with the Tender Offeror terms of the Transaction and other matters as necessary.

ii. Background to the Consideration

During the period from July 30 2025 up to October 29 2025, a total of 11 meetings of the Special Committee were held. In addition, the Special Committee executed its duties related to the Advisory Matters between those meeting dates as necessary by sharing reports and information, and engaging in discussions and decision-making via electronic mail and online meetings.

Specifically, the Special Committee approved the appointment of Daiwa Securities as the Target Company's financial advisor and third-party valuation organization, and Anderson Mori &

Tomotsune as the Target Company's legal advisor after confirming that there were no issues regarding their independence and expertise. The Special Committee also confirmed that it had no objection to receiving professional advice from those advisors.

The Special Committee also considered the independence, expertise and past performance of the candidates for the third-party valuation organization and appointed Plutus Consulting on August 6, 2025, as a financial advisor and a third-party valuation organization independent of the Tender Offeror, etc. and the Target Company Group. The Special Committee has confirmed that Plutus Consulting neither is a related party to the Tender Offeror, etc. or the Target Company Group, nor does it have a material interest in the Transaction, including the Tender Offer, and that there is no other issue concerning its independence in connection with the Transaction.

Thereafter, the Special Committee conducted a review of the measures that should be taken to ensure fairness of the procedures of the Transaction, taking into account the opinion obtained from Anderson Mori & Tomotsune.

In addition, on August 13, 2025, the Special Committee made written inquiries with the Tender Offeror in relation to the Matters of Inquiry, and on August 22, 2025, it received from the Tender Offeror a written response to the Matters of Inquiry. Furthermore, based on that response, the Target Company and the Special Committee conducted an additional interview regarding the Matters of Inquiry at the Special Committee meeting held on August 27, 2025, and received an explanation regarding the response from the Tender Offeror, and held a question-and-answer session and discussion.

Regarding the Tender Offer Price, the Target Company has engaged in negotiations with the Tender Offeror multiple times since September 29, 2025. Specifically, the Target Company thoroughly considered information obtained through due diligence conducted by the Tender Offeror on the Target Company, the initial analysis of the value of the Target Company Stock conducted by JPMorgan Securities, the Tender Offeror's financial advisor, based on such information, and the details of the initial analysis of the value of the Target Company Stock conducted by the Tender Offeror based on such information. As a result, on September 29, 2025, the Target Company received from the Tender Offeror a proposal regarding the Transaction, including setting the Tender Offer Price at 2,300 yen. However, on October 1, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price, stating that the Tender Offer Price was lower than the price level reflecting the intrinsic value of the Target Company. Subsequently, on October 7, 2025, the Company received a proposal from the Offeror that, after careful consideration of the Tender Offer Price, the Offeror would like to re-propose a price of 2,400 yen (the price adding the following: a premium of 9.24% over the closing price of 2,197 yen for the Company's Stock on the Prime Market of the TSE on October 6, 2025, the business day preceding the proposal date, a premium of 7.91% over the simple average closing price of 2,224 yen for the preceding month, a premium of 17.42% over the simple average closing price of 2,044 yen for the preceding three months, and a premium of 31.58% over the simple average closing price of 1,824 yen for the preceding six months). On October 8, 2025, the Company requested a reconsideration of the Tender Offer Price, stating that, considering the trend of the Company's stock price and the premium levels in other similar cases, the Tender Offer Price was far from a level at which the Company could approve the Transaction and still did not adequately reflect the Company's fundamental value. In response to this request, on October 14, 2025, the Company received a response from the Offeror stating that, after careful reconsideration of the Tender Offer Price, the Tender Offer Price should be set at 2,480 yen (the price adding the following: a premium of 17.87% over the closing price of 2,104 yen for the Company's Stock on the Prime Market of the TSE on October 10, 2025, the business day preceding the proposal date, a premium of 12.37% over the simple average closing price of 2,207 yen for the preceding month, a premium of 19.63% over the simple average closing price of 2,073 yen for the preceding three months, and a premium of 34.05% over the simple average closing price of 1,850 yen for the preceding six months). On October 15, 2025, the Company determined that the price offered did not sufficiently reflect the Company's fundamental value

when compared to the share valuation currently being conducted by the financial advisor appointed by the Company and the Committee, and that it believed that the price does not constitute fair and reasonable economic terms for the minority shareholders of the Company. Furthermore, regarding the Company's current stock price, the Company perceived it as a result of the market appropriately reflecting the fundamental value that incorporates the Company's performance and future growth potential, including the dissipation of market uncertainty related to tariff policies. In addition, having examined the premium levels in comparable cases, not only comparing them to going-private cases involving the acquisition of wholly-owned subsidiaries but also including cases under circumstances similar to this case, the Company and the Committee deemed that even when compared to the premium levels in such cases, the proposed Tender Offer Price still did not reach a level that the Company can agree to for the Transaction. Therefore, the Company requested a re-proposal of the Tender Offer Price. In response to this request, on October 20, 2025, the Company received a revised proposal from the Offeror stating that it could not be denied that the recent rise in the price of the Company's Stock was likely formed in response to the rise in the Japanese stock market rather than a change in the Company's fundamental value, and that, under these circumstances, it considered it inappropriate to evaluate the premium of the Tender Offer based on comparisons with other companies' cases. Accordingly, the Offeror proposed setting the Tender Offer Price at 2,510 yen (which represents a premium of 19.47% on the closing price of 2,101 yen of the Company's Stock on the Prime Market of the TSE as of October 17, 2025, the business day prior to the day on which this proposal was made; 15.56% on the simple average closing price of 2,172 yen for the previous month up to the same date; 19.64% on the simple average closing price of 2,098 yen for the previous three months up to the same date; and 33.80% on the simple average closing price of 1,876 yen for the previous six months up to the same date). On October 22, 2025, the Company stated that the reproposed Tender Offer Price still did not fully reflect the Company's intrinsic value and was not at the level to which the Company could agree, compared to the premium level in other similar cases, and therefore, that the Offeror reconsider the Tender Offer Price, taking into consideration synergies to be generated by implementing the Transaction and the distribution of such synergies. Based on such request, the Offeror carefully considered the Tender Offer Price again. On October 24, 2025, the Offeror made another proposal to the Company and the Special Committee, which set the Tender Offer Price at 2,550 yen (which represents a premium of 14.61% on the closing price of 2,225 yen of the Company's Stock on the Prime Market of the TSE as of October 23, 2025, the business day prior to the day on which this proposal was made; 17.95% on the simple average closing price of 2,162 yen for the previous month up to the same date; 20.51% on the simple average closing price of 2,116 yen for the previous three months up to the same date; and 34.28% on the simple average closing price of 1,899 yen for the previous six months up to the same date). On October 27, after careful deliberation by the Company and the Special Committee, the Company concluded that, taking into account (i) a comparison with premium levels in comparable transactions, (ii) the fair distribution to ordinary shareholders of synergies expected to arise from the Transaction, and (iii) a price level that reflects the Company's intrinsic value, the proposed tender offer price remains insufficient for the Company to endorse the Transaction or to recommend that the Company’s ordinary shareholders tender their shares. In particular, although the Offeror's proposal contends that the price represents an adequate premium over the simple average closing price of the Company for the most recent six month period, excluding reliance on the recent upward movement in the Company's share price, the Company believes the recent rise in its share price was not driven by the general rise in the stock market, but rather reflects recognition of the Company's fundamental strengths and earnings power. Accordingly, the Company considers that premiums relative not only to the six month average but also to the one month and three month average closing prices should be taken into account, and, also considering the expectations of market participants including the Company's ordinary shareholders regarding the economic terms of the Transaction, has requested reconsideration of the Tender Offer Price. In response to this request, on October 28, the Company received a renewed proposal from the Offeror to set the Tender Offer Price at 2,600 yen. As a result, on October 29, 2025, the Company notified the Offeror that it would accept the Offeror's proposal and reached an

agreement to set the Tender Offer Price at 2,600 yen (representing a premium of 13.34% over the closing price of the Company's Stock of 2,294 yen on the Prime Market of the TSE on October 27, 2025, which is the business day immediately preceding the proposal date; a premium of 20.31% over the simple average closing price of 2,161 yen for the past one month ending on the said date; a premium of 22.12% over the simple average closing price of 2,129 yen for the past three months ending on the said date; and a premium of 36.13% over the simple average closing price of 1,910 yen for the past six months ending on the said date).

In the course of the above consideration and negotiations, when discussing and negotiating with the Tender Offeror regarding the Tender Offer Price, the Target Company took into consideration opinions expressed by the Special Committee and the advice of Daiwa Securities and Anderson Mori & Tomotsune. At that time, the Special Committee received advice from Plutus Consulting and Anderson Mori & Tomotsune, its advisors, periodically, and exchanged opinions with the Target Company and it advisors, confirming and granting approval as appropriate. Specifically, the Target Company first asked the Special Committee to confirm, and received approval therefrom for, the reasonableness of the Business Plan, important preconditions, and the process of preparation, which the Target Company presented to the Tender Offeror and based on which Daiwa Securities and Protus Consulting calculated the value of the Target Company Stock, and this was approved by the Special Committee. In addition, Daiwa Securities, the Target Company's financial advisor, when negotiating with the Tender Offeror, responded in accordance with the negotiation policy determined by the Special Committee after deliberation in advance, and every time it received a proposal regarding the Tender Offer Price from the Tender Offeror, it immediately reported to the Special Committee and received its opinions, instructions, requests, etc. regarding the policy for negotiations with the Tender Offeror and other matters.

iii. Details of the Decision

Under the circumstances described above, the Special Committee carefully discussed and reviewed the Advisory Matters on multiple occasions, taking into account the advice of Plutus Consulting from a financial perspective, and the content of the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) provided on October 29, 2025. As a result, based on unanimous consent of the members, the Special Committee submitted to the Board of Directors of the Target Company a Written Report as outlined below as of October 29, 2025. For details, please see the Written Report attached to the Target Company Press Release.

(a) Details of the Report

i. The Transaction will contribute to the enhancement of the corporate value of the Target Company and its purpose is considered justifiable and reasonable.

ii. The fairness and appropriateness of the terms and conditions of the Transaction (including whether the level of the consideration for the acquisition, the method of the acquisition, the type of consideration for the acquisition, and other terms and conditions of the Transaction are fair) are considered to be ensured.

iii. Practical measures that contribute to ensuring the fairness of transaction terms (the "Fairness Ensuring Measures") equivalent to those in similar cases are implemented in the Transaction, and the procedures to secure the fairness of the terms and conditions of the Transaction is considered to be sufficiently taken.

iv. Based on i. through iii. above, implementing the Transaction is considered to be fair to the Target Company's ordinary shareholders.

v. It is considered appropriate for the Target Company's board of directors to express its opinion in favor of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer.

(b) Reasons for the Report

i. Enhancement of the Corporate Value, and Justifiability and Reasonableness of the Purpose

(1) The Target Company's understanding of our current situation

A. The Target Company's outline and business activities

According to the Target Company Press Release and the hearings, interviews, and question-and answer sessions conducted by the Special Committee for examining the Advisory Matters (the "Hearings, Etc."), the Target Company's outline and business activities are as follows:

- The Target Company was established as Showa Kogyo Co., Ltd. in December 1929 for the purpose of manufacturing products such as rubber belts. Subsequently, the corporate name was changed to Kabata Chotai (Belt) Co., Ltd. in January 1930, to Tokai Rubber Industries, Ltd. (using kanji (Chinese characters) for "Rubber" in the Japanese name) in October 1937, to Tokai Rubber Industries, Ltd. (changed kanji for "Rubber" in the Japanese name to katakana (Japanese characters)) in November 1961, and to Sumitomo Riko Company Limited, as it is known today, in October 2014.
- As of October 29, 2025, The Target Company Group consists of the Target Company, its 74 consolidated subsidiaries, and its seven equity method affiliates, and operates in the following segments: the Automotive Products Division, the General Industrial Products Division and the New Business Division.
- The Target Company Group is promoting its business activities based on the "2025 Sumitomo Riko Group Mid-term Management Plan (2025P)", a three-year business plan released on May 30, 2023, with the aim of transforming itself into a "leading solution provider taking on social challenges by aggregating whole resources of Sumitomo Riko and its partners," as set out in the "2029 Sumitomo Riko Group Vision (2029V)" released on the same day.

B. The Target Company's understanding of business environment surrounding the Target Company Group and its management issues

According to the Target Company Press Release and the Hearings, Etc., the Target Company understands that the Target Company's business environment and management issues are as follows:

- The Target Company Group recognizes that the uncertainty in the economic environment is further heightening, due to the complexly intertwined factors including the materialization of policy change risks following the election results in major countries, the prolonged geopolitical risks, the slowdown in the Chinese economy, and the risk of sharp exchange rate fluctuations resulting from changes in policy interest rates, in addition to the global trend toward the realization of a sustainable society and the drastic changes in the automobile industry, such as CASE.
- Under these circumstances, the Target Company Group is promoting its business activities based on the Target Company's Mid-term Management Plan, and the policy is to enhance profitability and strengthen the management foundation by continuing to promote development of products that make full use of the Target Company Group's core competencies in "polymer materials technology," which creates high-performance materials and produces high-value-added products based on the respective technologies of compound

design, synthesis, and modification, and "comprehensive evaluation technology," which enables in-house evaluation and verification of the performance and reliability required for the products, expanding orders by leveraging the global production system, and cost reduction activities and overhead cost control.

- In addition, the Target Company Group aims to achieve sustainable growth and realize a prosperous society together with its wide range of stakeholders by achieving the financial targets and promoting ESG management and management conscious of capital costs and stock prices.
- With regard to the development of new products, the The Target Company Group plans to strengthen the collaboration with its parent company, the Tender Offeror, and promote the creation of synergies to an even greater extent than before.

C. Valuation of the Target Company's understanding

Nothing unreasonable is found in the Target Company's understanding of our business environment and management issues described above, and the Target Company's understanding is consistent with the general descriptions of the environment of the industry and market to which the Target Company belongs.

Therefore, measures that contribute to the solution to the business environment and management issues described above (including, but not limited to, M&As) generally contribute to the enhancement of the corporate value of the Target Company, although it is necessary to consider the risks and disadvantages of such measures on a case-by-case basis.

(2) Synergies expected from the Transaction

A. Synergies assumed by the Tender Offeror

According to the Tender Offer Notification and the Hearings, Etc., the synergies of the Transaction assumed by the Tender Offeror are as follows:

(i) Strengthening of research and development capabilities and new product development capabilities through the integration of technology and know-how

In terms of research and development capabilities, the Tender Offeror believes that the Transaction will enable the promotion of research and development based on the Target Company's utilization of material technologies and fundamental technologies (such as AI, IoT, computational science, analysis technology, and security) of the Tender Offeror, as well as accelerating joint research and development, and avoiding duplicate research.

In terms of intellectual property, the Tender Offeror believes that the Transaction will enable it to share its global intellectual property management system and specialized departments, thereby enhancing the network and bargaining power necessary for the Target Company to acquire, defend, and enforce intellectual property rights. The Tender Offeror believes that by combining its intellectual property know-how with the Target Company's core technology, development of new technical areas and establishment of technical advantages can be expected.

In terms of new product development capabilities, the Tender Offeror intends to discover breakthroughs in synergies from new perspectives, such as modules that combine the Target Company's in-depth knowledge of materials, sensors, and other relevant products with heat-blocking, heat radiation,

vibration control, and quietness by applying heat control and fluid control technology and other similar technology based on polymer material technology, which is one of the core competencies of the Target Company, with the Tender Offeror's various products, and system products that integrate electric power and communication technologies, and create new businesses. The Tender Offeror believes that, through further integration, development of new products not only by combining existing products but also by combining the basic technologies of both companies can be promoted.

Furthermore, in terms of businesses related to environmental measures, the Tender Offeror aims for the establishment of recycle technology through the promotion of a circular economy, and believes that combining the Target Company's anti-vibration business and chemical products business with the Tender Offeror's electronics and info-communications business foundation will enable further development of environmental measures in the housing environment and infrastructure field.

(ii) Mutual utilization of global business platforms (customers, production sites, and procurement networks)

While both the Tender Offeror and the Target Company operate in the mobility sector and have a common business field, the Tender Offeror also engages in a wide range of businesses within the info- communications sector and energy sector, and the Target Company is engaged in business in the General Industrial Products sector, infrastructure and housing environment sector, electronics sector, and healthcare sector. Therefore, the Tender Offeror believes that mutual utilization of customer network and sales offices through the Tender Offer will enable both companies to acquire contact points with customers from different industries. The Tender Offeror also believes that the two companies can deepen their relationships with existing customers through integrated proposals that combine the capabilities of both companies.

In terms of procurement, logistics, and manufacturing, the future of the business environment surrounding both companies is becoming more uncertain due to increasing political and geopolitical risks. As both the Tender Offeror and the Target Company operate on a global scale, the Tender Offeror believes that the mutual utilization of the logistics and procurement networks, production bases, and manufacturing facilities of both companies will diversify and provide multiple alternatives for the supply chain, ultimately strengthening resilience and thereby improving flexibility with regard to changes to the business environment. Further, the Tender Offeror expects that maximization of economies of scale through joint purchasing from suppliers and other similar actions will reduce procurement costs.

Moreover, the Tender Offeror believes that the improvement and optimization of the functions of indirect departments can be promoted through sharing knowledge, functions, locations, and resources between the administrative departments of the Tender Offeror and the Target Company, unifying the accounting system, and utilizing human resource development programs and various shared services.

(iii) Maximum utilization of human resources through the integration and exchange of teams and human resources

In the current relationship between the Tender Offeror and the Target Company, which is a listed subsidiary, there are restrictions that require respect for the independence and autonomy of the Target Company as a listed company, while making efforts to avoid conflicts of interest between the Tender Offeror, which is the parent company, and other ordinary shareholders.

Due to this, the Tender Offeror and the Target Company conduct hiring and human resources development independently and have certain limitations such as lack of personnel exchange. Accordingly, the Tender Offeror believes that the Tender Offeror Group, including the Target Company, has not completely optimized its management resources. The Tender Offeror believes that by making the Target Company a wholly owned subsidiary of the Tender Offeror through the Transaction, the sharing of know-how will accelerate through staffing and personnel exchange to appropriately respond to a business environment that requires the integration of knowledge across multiple fields, and that the development and proposal capabilities leading to differentiation from competitors will be strengthened, as described in (i) above.

In addition, the Tender Offeror believes that it will be able to advance its existing efforts in various fields such as business management, technology, sales, production, and development, and further promote human resource exchanges without barriers, and that know-how regarding overseas expansion of business operations will be shared through the global business expansions of both companies, and that governance and risk management capabilities will be strengthened when expanding business globally for further future growth.

(iv) Strengthening risk management capabilities through mutual sharing of knowledge

By exchanging expertise accumulated by the Tender Offeror and the Target Company to date with regard to business risks and various risks related to disasters, pandemics, and threats to information security, the Tender Offeror and the Target Company are expected to build a more appropriate risk management system and improve the effectiveness of group management. Both the Tender Offeror and the Target Company are engaged in business projects related to automotive parts, where a typical risk is that any quality issues with products and parts may lead to a loss of credibility and significant indemnification claims from clients.

Another characteristic of this business is the time required to stabilize operations after entering a new market. The Tender Offeror expects that by further sharing the experience, expertise, and know-how regarding local markets that each company has gathered in various countries and regions to date, as well as their relationships with business partners and customers, the Tender Offeror and Company will collectively ensure better risk management to combat these risks and challenges and thereby facilitate more consistent global expansion.

B. The synergies expected by the Target Company

According to the Target Company Press Release and the Hearings, Etc., the synergies from the Transaction expected by the Target Company are as follows.

(i) Advancement of existing businesses and expansion into new markets through the integration of the technologies and customer bases of the Target Company and the Tender Offeror Group

The Target Company believes that integrating the advanced technologies and intellectual property of the Tender Offeror Group with the Target Company's polymer materials technology and comprehensive evaluation technology will accelerate the development of next-generation technologies. Consolidating research and development resources is expected to enhance product development speed, establish a system for rapidly bringing high-quality products to market, and also lead to the creation of new businesses.

Furthermore, leveraging the Tender Offeror Group's overseas network will enable responses tailored to regional needs, leading to anticipated expansion of market share and strengthening of the customer base in overseas markets. Through collaboration across business divisions, the Target Company expects enhanced proposal capabilities for existing customers and the ability to expand products and services to a new customer segment, thereby driving growth in the Target Company's sales revenue.

Furthermore, from the perspective of competitive advantage, combining the strengths of the Tender Offeror Group and the Target Company enables the Target Company to provide integrated technical proposals encompassing material technology, thermal/electrical control technology, and mobility infrastructure design. Specifically, based on the polymer-materials technologies the Target Company have developed, such as rubber and resins, the Target Company will optimize characteristics including weight reduction, heat resistance, and vibration damping. By combining these with the thermal and electrical control technologies essential for electrification and autonomous driving (e.g., thermal management, insulation and conductivity control, sensing), the Target Company will enhance the efficiency and safety of various devices and systems. Furthermore, by applying mobility-infrastructure design technologies to the design of structures and systems that encompass not only vehicles but also social infrastructure, such as roads, bridges, and charging facilities, the Target Company will be able to offer comprehensive technical proposals. The Target Company believes that this unique integrated solution, unmatched by competitors, will strengthen the Target Company's mid-to-long-term proposal capabilities for domestic and international customers and further deepen partnerships in next-generation vehicle development.

(ii) Organizational revitalization through collaboration among individuals with diverse backgrounds and the development of next-generation human resources

Through personnel exchanges and shared training programs, etc. between the Tender Offeror Group and the Target Company, the Target Company believes that the enhancement of expertise and the development of human resources will accelerate, primarily in the technical, sales, and administrative departments, thereby strengthening the organizational capabilities of the entire Group. The Target Company believes that the Tender Offeror's acquisition of the Target Company as a wholly-owned subsidiary through the Transaction will enhance the Target Company's organizational stability. This will not directly impact employee employment or existing business relationships. Rather, the Target Company believes that integrated management as part of the Tender Offeror Group will expand growth opportunities, contribute to employee career development, and deepen relationships with business partners.

(iii) Improving operational efficiency and optimizing resources through the integration of indirect functions and management foundations

By leveraging the Tender Offeror Group's expertise in corporate functions, marketing, quality control, etc. to streamline the Target Company's indirect departments, the Target Company can achieve optimal allocation of management resources. Specifically, the Company believes that sharing purchasing information and integrating procurement management within the Tender Offeror Group will reduce raw material and logistics costs while optimizing production and supply systems. Furthermore, integrating IT infrastructure and digital tools will enhance overall operational efficiency from design through production, sales, and customer service, thereby accelerating innovation. The Target Company also believes that unification of the Tender

Offeror Group's group strategy will enhance brand recognition and trust across each business domain, thereby strengthening the Target Company's competitive position in the market.

Furthermore, due to the tightening of the Corporate Governance Code and the TSE's market restructuring, etc., the systems and operational burdens necessary to maintain the Target Company's listing have been expanding and increasing year by year. The Target Company believes that the privatization of the Target Company by the Tender Offeror will reduce the management and disclosure burden costs associated with maintaining the Target Company's listing, enabling the Target Company to concentrate management resources on growth investments and also promising faster decision-making. Consequently, the Target Company believes that through strategic integration within the Group, the Target Company's business portfolio will be optimized, enabling the concentrated allocation of management resources to growth areas, thereby achieving sustainable growth.

C. Reasonableness of the synergies expected and the comparison between the synergies expected by the Tender Offeror and the Target Company

The content of the synergies expected as described above does not appear to contain any mutually contradictory points or points that clearly contradict objective facts, and is considered reasonable.

D. Comparison with other methods

Furthermore, from another perspective, if the Target Company can realize each of the aforementioned synergies without delisting, and if a feasible alternative transaction to the Transaction is under consideration, the reasonableness for the Transaction associated with delisting would be diminished.

However, according to the Tender Offeror and the Target Company, each of the aforementioned synergies would be difficult to achieve while maintaining the Target Company's listing status due to the fact that under the current circumstances where both the Tender Offeror and the Company operate as independent listed companies, there are certain limitation on sharing information, management resources, personnel, know-how, and other assets, and that it is recognized that further integration of operations based on the current capital relationship faces certain constraints, and there appears to be no unreasonable aspect to this explanation. Furthermore, during the Hearings, Etc., the Special Committee confirmed with the Tender Offeror and the Target Company whether any alternative transactions to the Transaction existed in the opinion of the Target Company. The Special Committee received responses that the Transaction represents a method allowing for immediate cash conversion with a sufficient premium based on the Target Company's stock price, thereby providing an appropriate and reasonable sale opportunity for the general shareholders, and that no specific consideration has been given to any feasible alternative transactions to the Transaction.

E. Other impacts of the Transaction

According to the Target Company Press Release and the Hearings, Etc., should the Target Company Stock be delisted as a result of the Transaction, the disadvantages associated with delisting generally include: (i) impact on the method of raising funds through equity financing from capital markets, (ii)

concerns regarding securing outstanding human resources due to the enhanced social credibility and increased visibility the Target Company has enjoyed as a listed company, and (iii) potential impact on stakeholders such as shareholders, employees, and business partners.

However, regarding (i), while the Target Company does not currently anticipate the need for equity financing from capital markets, its sound financial foundation to date means this will not impact its ability to raise funds. Even if the need for financing were to arise, financial assistance can be expected from the financially strong Tender Offeror Group.

Regarding (ii), it is considered that the impact of delisting, including effects on recruitment activities, can be limited by leveraging the social credibility and funding capabilities, etc. held by the Tender Offeror Group.

Regarding (iii), through our business activities to date, we have already secured a substantial business foundation, including a certain level of brand power, name recognition, and credibility, etc. Even after going private, the Tender Offeror intends to accelerate collaboration between the Tender Offeror and the Target Company Group to steadily realize synergies, expedite decision-making, and pool all resources to further enhance the Target Company Group's corporate value. In addition, regarding matters such as optimizing management resources and reallocating them for overall optimization to enhance corporate value, the Tender Offeror intends to deliberate on these matters in full consultation with the Target Company's management team. Considering that discussions will be held between the Tender Offeror and the Target Company after the completion of the Tender Offer, aiming to establish appropriate governance that respects the Target Company's uniqueness and a structure that maximizes the realization of synergies as part of the Tender Offeror Group, it is believed that the Target Company going private through the Transaction will be acceptable without issue to the Target Company's shareholders, employees, business partners, and other stakeholders.

(3) Summary

Based on the above facts, the synergies expected from the Transaction are reasonable, and there are no contradictions or discrepancies between the assumptions of the Tender Offeror Parties and the Target Company's assumptions. Therefore, the execution of the Transaction is deemed to contribute to resolving the management issues recognized by the Target Company.

Furthermore, the reasons explained for why the Transaction should be used rather than other methods, such as bold business transformation while maintaining the Target Company's listing, privatization, share consolidation, or share exchange through M&A with other partners, are also deemed reasonable, and it is considered appropriate to use the Transaction. In addition, there are no circumstances that would constitute a significant obstacle to the enhancement of the corporate value of the Target Company through the Transaction.

Therefore, the Transaction, including the Tender Offer, will contribute to the enhancement of the corporate value of the Target Company and the purpose of the Transaction is justifiable and reasonable.

ii. Fairness and reasonableness of transaction terms

(1) Ensuring negotiation circumstances

A. Negotiation policy and perspective

The Target Company and the Special Committee confirmed that, based on advice from each advisor and the results of the estimated share value of the Target Company Stock, they will conduct discussions and negotiations with the Tender Offeror based on the fundamental policy of (a) setting the Tender Offer Price at the price approved in the Share Valuation Report (Daiwa Securities) and Share Valuation Report (Plutus Consulting) (collectively, the "Share Valuation Reports") to be obtained by the Target Company and the Special Committee, and (b) ensuring that the amount is as favorable as possible for the general shareholders.

The "Fair M&A Guidelines" prepared by the Ministry of Economy, Trade and Industry (the "M&A Guidelines") also point out that while (a) "value that can be realized without executing the M&A transaction" should be enjoyed by all shareholders, including general shareholders in accordance with the number of shares held by such shareholders, on the other hand, with respect to "value that cannot be realized without executing the M&A transaction," although general shareholders will be squeezed out by the transaction, it is fair that general shareholders should also enjoy an appropriate portion of such value (M&A Guidelines 2.2.1).

Therefore, the Special Committee, taking into account the above pointed out in the M&A Guidelines, proceeded with negotiations with the Tender Offeror based on the fundamental policy for discussions and negotiations with the Tender Offeror as confirmed above.

B. The course of the negotiations

The Target Company conducted multiple rounds of negotiations with the Tender Offeror regarding the Tender Offer Price on and after September 29, 2025. The specific course of these negotiations is as follows.

① The Target Company received a proposal from the Tender Offeror regarding the Transaction to set the Tender Offer Price at 2,300 yen per share on September 29, 2025, based on the assumption that no year-end dividend will be paid for the fiscal year ending March 2026 (the price adding each of the following: a premium of 2.68% over the closing price of 2,240 yen per share of the Target Company Stock on the Prime Market of the TSE on September 26, 2025, the business day preceding the proposal date (rounded to the nearest hundredths; the same applies to the calculation of the premium rate below), a premium of 3.42% over the simple average closing price of 2,224 yen for the preceding month (rounded to the nearest yen; the same applies to the simple average closing price below), a premium of 15.23% over the simple average closing price of 1,996 yen for the preceding three months, and a premium of 27.78% over the simple average closing price of 1,800 yen for the preceding six months).

② In response, the Target Company, having obtained the approval of the Special Committee, requested on October 1, 2025, that the Tender Offeror reconsider the Tender Offer Price, stating that it fell below the price level reflecting the Target Company's fundamental value.

③ Subsequently, on October 7, 2025, the Target Company received a proposal from the Tender Offeror that, after careful consideration of the Tender Offer

Price, the Tender Offeror would like to re-propose a price of 2,400 yen (the price adding the following: a premium of 9.24% over the closing price of 2,197 yen for the Target Company Stock on the Prime Market of the TSE on October 6, 2025, the business day preceding the proposal date, a premium of 7.91% over the simple average closing price of 2,224 yen for the preceding month, a premium of 17.42% over the simple average closing price of 2,044 yen for the preceding three months, and a premium of 31.58% over the simple average closing price of 1,824 yen for the preceding six months).

④ On October 8, 2025, the Target Company requested a reconsideration of the Tender Offer Price, stating that, considering the trend of the Target Company's stock price and the premium levels in other similar cases, the Tender Offer Price was far from a level at which the Target Company could approve the Transaction and still did not adequately reflect the Target Company's fundamental value.

⑤ In response to this request, on October 14, 2025, the Target Company received a response from the Tender Offeror stating that, after careful reconsideration of the Tender Offer Price, the Tender Offer Price should be set at 2,480 yen (the price adding the following: a premium of 17.87% over the closing price of 2,104 yen for the Target Company Stock on the Prime Market of the TSE on October 10, 2025, the business day preceding the proposal date, a premium of 12.37% over the simple average closing price of 2,207 yen for the preceding month, a premium of 19.63% over the simple average closing price of 2,073 yen for the preceding three months, and a premium of 34.05% over the simple average closing price of 1,850 yen for the preceding six months).

⑥ On October 15, 2025, the Target Company determined that the price offered did not sufficiently reflect the Target Company's fundamental value when compared to the share valuation currently being conducted by the financial advisor appointed by the Target Company and the Special Committee, and that it believed that the price does not constitute fair and reasonable economic terms for the minority shareholders of the Target Company. Furthermore, regarding the Target Company's current stock price, the Target Company perceived it as a result of the market appropriately reflecting the fundamental value that incorporates the Target Company's performance and future growth potential, including the dissipation of market uncertainty related to tariff policies. In addition, having examined the premium levels in comparable cases, not only comparing them to going-private cases involving the acquisition of wholly-owned subsidiaries but also including cases under circumstances similar to this case, the Target Company and the Special Committee deemed that even when compared to the premium levels in such cases, the proposed Tender Offer Price still did not reach a level that the Target Company can agree to for the Transaction. Therefore, the Target Company requested a re-proposal of the Tender Offer Price.

⑦ In response to this request, on October 20, 2025, the Target Company received a revised proposal from the Tender Offeror stating that it could not be denied that the recent rise in the price of the Target Company Stock was likely formed in response to the rise in the Japanese stock market rather than a change in the Target Company's fundamental value, and that, under these circumstances, it considered it inappropriate to evaluate the premium of the Tender Offer based on comparisons with other companies' cases. Accordingly, the Tender Offeror proposed setting the Tender Offer Price at 2,510 yen (which represents a premium of 19.47% on the closing price of 2,101 yen of the Target Company Stock on the Prime Market of the TSE as of October 17, 2025, the business day prior to the day on which this proposal was made; 15.56% on the simple average closing price of 2,172 yen for the previous month up to the same date; 19.64%

on the simple average closing price of 2,098 yen for the previous three months up to the same date; and 33.80% on the simple average closing price of 1,876 yen for the previous six months up to the same date).

⑧ On October 22, 2025, the Target Company stated that the reproposed Tender Offer Price still did not fully reflect the Target Company's intrinsic value and was not at the level to which the Target Company could agree, compared to the premium level in other similar cases, and therefore, that the Tender Offeror reconsider the Tender Offer Price, taking into consideration synergies to be generated by implementing the Transaction and the distribution of such synergies.

⑨ Based on such request, the Tender Offeror carefully considered the Tender Offer Price again. On October 24, 2025, the Tender Offeror made another proposal to the Target Company and the Special Committee, which set the Tender Offer Price at 2,550 yen (which represents a premium of 14.61% on the closing price of 2,225 yen of the Target Company Stock on the Prime Market of the TSE as of October 23, 2025, the business day prior to the day on which this proposal was made; 17.95% on the simple average closing price of 2,162 yen for the previous month up to the same date; 20.51% on the simple average closing price of 2,116 yen for the previous three months up to the same date; and 34.28% on the simple average closing price of 1,899 yen for the previous six months up to the same date).

⑩ On October 27, after careful deliberation by the Target Company and the Special Committee, the Target Company concluded that, taking into account (i) a comparison with premium levels in comparable transactions, (ii) the fair distribution to ordinary shareholders of synergies expected to arise from the Transaction, and (iii) a price level that reflects the Target Company's intrinsic value, the proposed tender offer price remains insufficient for the Target Company to endorse the Transaction or to recommend that the Target Company's ordinary shareholders tender their shares. In particular, although the Tender Offeror's proposal contends that the price represents an adequate premium over the simple average closing price of the Target Company for the most recent six-month period, excluding reliance on the recent upward movement in the Target Company's share price, the Target Company believes the recent rise in its share price was not driven by the general rise in the stock market, but rather reflects recognition of the Target Company's fundamental strengths and earnings power. Accordingly, the Target Company considers that premiums relative not only to the six-month average but also to the one-month and three-month average closing prices should be taken into account, and, also considering the expectations of market participants including the Target Company's ordinary shareholders regarding the economic terms of the Transaction, has requested reconsideration of the Tender Offer Price.

⑪ In response to this request, on October 28, the Target Company received a renewed proposal from the Tender Offeror to set the Tender Offer Price at 2,600 yen. As a result, on October 29, 2025, the Target Company notified the Tender Offeror that it would accept the Tender Offeror's proposal and reached an agreement to set the Tender Offer Price at 2,600 yen (representing a premium of 13.34% over the closing price of the Target Company Stock of 2,294 yen on the Prime Market of the TSE on October 27, 2025, which is the business day immediately preceding the proposal date; a premium of 20.31% over the simple average closing price of 2,161 yen for the past one month ending on the said date; a premium of 22.12% over the simple average closing price of 2,129 yen for the past three months ending on the said date; and a premium of 36.13% over the simple average closing price of 1,910 yen for the past six months

ending on the said date).

Throughout the above negotiation process, the Special Committee convened meetings each time the Tender Offeror submitted the aforementioned price proposals ①, ③, ⑤, ⑦, ⑨, ⑪. After receiving detailed explanations regarding each proposal from the Target Company and Daiwa Securities, the Special Committee reviewed the estimated share value results for the Target Company Stock provided by Daiwa Securities and Plutus Consulting, the premium levels of each proposed price, premium levels in comparable transactions, and advice, etc. from each advisor. The Special Committee expressed opinions on the content and method, etc. of responses to each proposal to ensure the Tender Offer Price was as favorable as possible for the general shareholders, and approved the content and method, etc. of responses reflecting these opinions, thereby substantially participating in the price negotiations. Furthermore, the Target Company responded to each price proposal in accordance with the content and method, etc. approved by the Special Committee as described above.

C. The evaluation of the course of the negotiations

The course of the negotiations regarding the Tender Offer Price is as described in A. and B. above. The Target Company maximally respected the Special Committee's opinions in price negotiations by either responding based on content discussed and approved by the Special Committee in advance or responding in accordance with negotiation policies predetermined by the Special Committee. Price negotiations were consistently conducted with the Special Committee substantially involved throughout the entire negotiation process with the Tender Offeror.

The above negotiation process is precisely what the M&A Guidelines recommend. That is, the special committee confirming the negotiation strategy in advance, obtaining timely reports on the negotiation status, and at important junctures rendering opinions, instructions, or requests (M&A Guidelines 3.2.4.4)

Furthermore, following the above negotiation process, after the Tender Offeror made an initial proposal of 2,300 yen, the Target Company secured 5 rounds of price increase, resulting in a final Tender Offer Price of 2,600 yen, an increase of 300 yen from the initial proposal.

As described above, the Special Committee was substantially involved in the price negotiations using the methods recommended in the M&A Guidelines, and as a result of the Target Company conducting the price negotiations with the utmost respect for the Special Committee's opinions, a significant increase was made from the initial proposal price, and as described in (3) below, the Tender Offer Price exceeds the upper limit calculated by the market share price method in the Share Valuation Report and falls within the range of the valuation results from the comparable company method and the DCF Analysis. Considering these points, it is recognized that negotiations were conducted aiming to set the Tender Offer Price at a level approved in the Share Valuation Report, and to make the Tender Offer Price as favorable as possible for the general shareholders, as per the policy confirmed by the Target Company and the Special Committee.

Therefore, it can be evaluated that during the course of discussions and negotiations with the Tender Offeror regarding the terms of the Transaction, a situation was ensured where reasonable efforts were made to achieve an M&A

transaction that would enhance corporate value while securing the most favorable terms possible for the general shareholders.

(2) Relation between the share price calculation and the Tender Price Offer

A. Rationality of business plan

The Share Valuation Reports will be the main materials for considering the fairness and reasonableness of the Tender Offer Price. Since the Share Valuation Reports are based on the Business Plan prepared by the Target Company, the issue lies in whether the Business Plan used as the basis for the calculation results are credible. In particular, since the Business Plan has been completed after the possibility of implementing the Transaction has been specifically recognized, it is necessary to pay attention to the fact that the Business Plan may be easily arbitrarily interfered with a view to affect the success or failure of the Transaction.

According to the Target Company Press Release and the Hearings, Etc., the Business Plan covers five fiscal years, from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030, a time span the Target Company currently deems reasonably foreseeable for forecasting purpose based on the automobile production schedules of each major customer. In developing the Business Plan, the Target Company has assumed that, despite the effect of high U.S. tariffs, part of the impact can be offset by passing costs on to its automaker customers, and that profitability will be secured through electrification-related new product development, targeted cost reductions and tighter expense management. Any synergies expected to be realized through the implementation of the Transaction are not reflected in the Business Plan, as it is difficult to specifically estimate at this stage. The Business Plan does not significantly deviate from the consolidated financial forecast for the fiscal year ending March 31, 2026, announced by the Target Company on July 30, 2025. Furthermore, the Business Plan does not include any fiscal years in which significant increases or decreases in profit are anticipated, nor does it include any fiscal years in which significant increases or decreases in free cash flow are anticipated.

No fact of the Tender Offeror or their interested persons having been involved in or having affected the preparation of the Business Plan may be gathered from the Hearings, Etc. In addition, while the Target Company has provided the Tender Offeror with certain explanations regarding the Business Plan during negotiations with the Tender Offeror, no fact of there having been any formulations or revisions made at the Tender Offeror's instruction or intentions may be gathered.

Furthermore, based on the responses to the Hearings, Etc., the Special Committee confirmed that there are no unreasonable aspects in the content, assumptions, or development process, etc. of the Business Plan, and that the Business Plan has not been formulated in an arbitrarily aggressive or conservative manner.

Based on the above, the process for drawing up the Business Plan were not found to have been applied pressure by the Tender Offeror, and the details of the Business Plan are not found to constitute unreasonable forecasts.

B. Reasonableness of the method of and basis for calculation

(a) Selection of the calculation method

After considering which valuation methods should be adopted from among multiple share valuation techniques for determining the value of the Target Company Stock, and based on the view that it is appropriate to evaluate the value of the Target Company Stock from multiple perspectives under the assumption that the Target Company is a going concern, Daiwa Securities and Plutus Consulting adopted the market share price method, comparable company method, and DCF Analysis respectively for the following reasons.

・Market share price method: that the Target Company's Stock is listed on the Prime Market of the TSE and the Premier Market of the NSE, and market share prices exist

・Comparable company method: that the Target Company has multiple comparable listed companies, making it possible to infer share value through a peer group comparison

・DCF Analysis: that the future state of business activities are reflected in share valuation

The above valuation methods are commonly used in determining share value for transactions similar to the Transaction, and no unreasonable aspects were identified in the reasons for adopting each valuation method. Therefore, no unreasonable aspects are identified in the two valuators using the above valuation methods to determine the share value of the Target Company Stock.

(b) Reasonableness of the calculation details

① Market share price method

Daiwa Securities and Plutus Consulting adopted the closing price on the reference date of October 29, 2025, along with the simple average closing prices for the preceding month, preceding three months, and preceding six months in the market share price method. The adoption of these values is common practice in the market share price method, and no unreasonable aspects were identified in the calculation performed under this method.

② Comparable company method

Daiwa Securities selected Toyoda Gosei Co., Ltd., NOK Corporation, Eagle Industry Co., Ltd., Nishikawa Rubber Co., Ltd., and Fukoku Co., Ltd. as comparable listed companies deemed similar to the Company. It then calculated the per-share equity value of the Target Company using a multiple of enterprise value relative to EBITDA.

In addition, Plutus Consulting selected Toyoda Gosei Co., Ltd., NOK CORPORATION, Toyo Tire Corporation, Nitta Corporation, FUKOKU Co., Ltd., The Yokohama Rubber Co., Ltd., and NICHIRIN CO., LTD. as comparable listed companies deemed similar to the Company. It then calculated the per-share equity value of the Target Company using a multiple of enterprise value relative to EBITDA.

No unreasonable points were identified in the explanations provided by both valuators regarding the procedures for selecting comparable listed companies, the comparative metrics adopted, and the basis for calculating the multiples.

③ DCF Analysis

(i) Daiwa Securities' calculation using the DCF Analysis

Daiwa Securities has set the discount rate at 8.5% to 9.5%, and no unreasonable aspects were identified in the calculation basis, etc. for these figures.
In calculating the going concern value, Daiwa Securities adopted both the multiples model and the constant growth model. Under the multiples model, selecting the same comparable companies as in the comparable company method, the corporate value-to-EBITDA multiple of 4.0x to 5.5x was applied, resulting in a going concern value of 327.5 billion yen to 450.3 billion yen. Under the constant growth model, taking into account domestic and international inflation rates and the growth rate of the industry in which the Target Company operates, the perpetual growth rate of 0.0% to 2.0% was assumed, resulting in a going concern value of 323.7 billion yen to 433.1 billion yen. No unreasonable aspects were identified in the selection of these calculation methods and comparison metrics, basis for calculating the same, or the underlying reasoning, etc.
Furthermore, no unreasonable aspects were identified in the calculation process and assumptions used in the other DCF Analysis.
Based on the above, no unreasonable points were identified in Daiwa Securities' calculation using the DCF Analysis.

(ii) Plutus Consulting's calculation using the DCF Analysis
Plutus Consulting has set the discount rate at 9.4% to 11.1%, and no unreasonable aspects were identified in the calculation basis, etc. for these figures.
In calculating the going concern value, Plutus Consulting adopted both the constant growth model and the magnification model. The constant growth rate was set at 0% taking into account the long-term economic environment, etc. that may be theoretically anticipated. No unreasonable aspects were identified in the selection of these calculation methods and comparison metrics, basis for calculating the same, or the underlying reasoning, etc.
Furthermore, no unreasonable aspects were identified in the calculation process and assumptions used in the other DCF Analysis.
Based on the above, no unreasonable points were identified in Plutus Consulting's calculation using the DCF Analysis.

(c) Differences in the share valuation between Daiwa Securities and Plutus Consulting

Differences exist in the share valuation performed by Daiwa Securities and Plutus Consulting as described in (a) and (b) above, specifically in the selection of comparable listed companies under the comparable company method, the method for calculating the going concern value under the DCF Analysis (including whether to adopt the magnification model, etc.), etc..

However, the Special Committee has received explanations from Daiwa Securities and Plutus Consulting that these are all reasonable differences arising from the professional judgment exercised by both valuators in their calculations, and do not constitute circumstances that would cast doubt on the reasonableness of the share valuation performed by both valuators.

(d) Summary

Based on the above verification, the Special Committee has evaluated that the Share Valuation Reports prepared by Daiwa Securities and Plutus Consulting contain no unreasonable points and are credible.

C. Results of share valuation

According to the Share Valuation Report (Daiwa Securities) prepared by Daiwa Securities, the share value of the Target Company Stock based on each valuation method is set forth in Table 1 below:

<Table 1: Share Value of Target Company Stock Calculated by Daiwa Securities>

Calculation Method	Reference Date	Share Value Per Share
Market share price method	October 29, 2025	1,916 yen – 2,160 yen
Comparable company method	October 29, 2025	1,768 yen – 3,672 yen
DCF Method	October 29, 2025	2,040 yen – 3,005 yen

According to the Share Valuation Report (Plutus Consulting) prepared by Plutus Consulting, the share value of the Target Company Stock based on each valuation method is set forth in Table 2 below:

<Table 2: Share Value of Target Company Stock Calculated by Plutus Consulting >

Calculation Method	Reference Date	Share Value Per Share
Market share price method	October 29, 2025	1,916 yen – 2,160 yen
Comparable company method	October 17, 2025	2,411 yen – 3,689 yen
DCF Analysis	October 17, 2025	2,326 yen – 2,800 yen

Based on the above calculation results, the Tender Offer Price of 2,600 yen per share is a price that exceeds the upper limit of the valuation range of the per-share value of the Target Company Stock calculated using the ① market share price method, falls within the valuation range of the per-share value of the Target Company Stock calculated using the ② comparable company method and the ③ DCF Analysis, and is above the median of the result of the valuation using the DCF Analysis by Daiwa Securities (2,523) and the median of the result of the valuation using the DCF Analysis by Plutus Consulting (2,563 yen).

Additionally, the Target Company obtained the Fairness Opinion (Daiwa Securities) dated October 29 2025, stating that the Tender Offer Price of 2,600 yen per share is fair to the Target Company's shareholders, excluding the Tender Offeror and its affiliates, from a financial point of view. The Special Committee obtained the Fairness Opinion (Plutus Consulting) dated October 29 2025, stating that the Tender Offer Price of 2,600 yen per share is fair to the Target Company's general shareholders from a financial point of view. These facts can also be evaluated as supporting the fairness of the Tender Offer Price (M&A Guidelines 3.3.2.2).

In light of the foregoing, we believe that the Tender Offer Price reaches a level that is not disadvantageous to the general shareholders when compared with the share value of the Target Company Stock as calculated by Daiwa Securities and Plutus Consulting.

D. Positioning of the Tender Offer Price

According to the Hearings, Etc., the Tender Offer Price is the amount obtained by adding the premium, as set forth in Table 3 below, to the closing price of the Target Company Stock on the Prime Market of the TSE up to October 29, 2025.

According to the Hearings, Etc., compared with 13 reference cases (the "Reference Cases") of tender offers by parent companies aimed at taking listed subsidiaries private that were announced on or after June 28, 2019 (excluding two-step tender offers and unsuccessful cases) and whose purchase amounts were at least 100 billion yen, the distribution of premium rates, viewed in 10% increments, is as follows: the premium rates over the simple average closing prices for the one-month, three-month and six-month periods ending on the reference date have a mode of 20%–<30% (five cases for each of the one-month, three-month and six-month periods), while the premium rate over the closing price on the reference date has a mode of 10%–<20% (four cases). In addition, because the mean and median of the premiums over the six-month simple average closing price in the Reference Cases are 30.66% and 28.55%, respectively, and the premium attached to the Tender Offer Price exceeds those figures, the premium offered in the Tender Offer can be regarded as at least no less favorable than the premiums in the Reference Cases. However, it is not possible to establish a single, objective standard for determining the appropriate amount of premium on share prices in tender offers (M&A Guidelines 2.2.2).

<Table 3: Premiums on the Tender Offer Price>

Reference Price	Share Price	Premium
Closing price as of the business day immediately preceding the announcement date	2,156 yen	20.59%
Average closing price for the preceding one month	2,160 yen	20.37%
Average closing price for the preceding three months	2,139 yen	21.55%
Average closing price for the preceding six months	1,916 yen	35.70%

E. Summary

The Tender Offer Price, as described above, exceeds the upper limit of the per-share value range calculated for the Company's Stock using the market share price method in the share valuation conducted by Daiwa Securities and Plutus Consulting, falls within the per-share value range calculated for the Target Company Stock using the comparable company method and DCF Analysis, and is above the median of the result of the valuation using the DCF Analysis by Daiwa Securities (2,523) and the median of the result of the valuation using the DCF Analysis by Plutus Consulting (2,563 yen). In addition, the Company and the Special Committee have obtained the Fairness Opinions. Furthermore, the Tender Offer Price exceeds the Target Company's historical closing prices since listing and the intraday high of 2,455 yen (the intraday high recorded on September 25, 2007). Therefore, the level of the Tender Offer Price cannot be considered unreasonable.

Furthermore, from the perspective of comparing premiums with similar cases, the premium attached to the Tender Offer Price is judged to be at a level comparable to the modal premium rates in the Reference Cases for the

reference-date closing price and the one-month and three-month simple average closing prices. In addition, because the premium attached to the Tender Offer Price exceeds the mean and median of the premiums over the six-month simple average closing price in the Reference Cases, the premium offered in the Tender Offer can be regarded as at least no less favorable than the premiums in the Reference Cases.

Furthermore, given that the Tender Offer Price is deemed to represent a substantial premium over the standalone equity value of the Target Company Stock, it can be deemed that due attention has been paid in the Transaction to the points set forth in the M&A Guidelines, which state that general shareholders should receive (a) the entire value that can be realized without an M&A transaction and (b) an appropriate portion of the value that cannot be realized without an M&A transaction (M&A Guidelines 2.2.1).

In view of the foregoing circumstances, we believe that the Tender Offer Price appropriately reflects the share value of the Target Company Stock and is not at a level that would undermine its reasonableness.

(3) Reasonableness of the scheme, etc.

The Transaction is expected to be implemented in two steps: first, through the tender offer, and second, through the squeeze-out process. It is not anticipated to be implemented by means of a share exchange or other form of organizational restructuring. The method of the Transaction is one generally employed for this type of going-private transaction and enables a petition to be made to the court for the determination of the sale price and the determination of the share price following a request for the purchase of shares in any of the second-step procedures.

In addition, considering that the consideration to be received by the shareholders is cash, the method of this Transaction is desirable, since such consideration is easy to understand and its value is highly stable and objective. From the perspective of expeditiously making the Target Company a wholly-owned subsidiary and ensuring that minority shareholders and others have the opportunity and time to make an fully informed and appropriate decision, this method is also preferable to a share exchange or other organizational restructuring in which shares or other forms of considerations are used. The Tender Offer Notification clearly states that the amount of money to be delivered to the Target Company's shareholders as consideration upon the Squeeze-out Procedures will be calculated so that it equals the amount obtained by multiplying the Tender Offer Price by the number of the Target Company Stock held by each shareholder (excluding the Tender Offeror and the Target Company).

Furthermore, no upper limit has been set on the number of shares to be purchased in the Tender Offer, and the issue of coerciveness is also considered minimal.

In light of the foregoing, it is reasonable to adopt a two-step acquisition method involving a tender offer, utilizing cash as the consideration for the acquisition (M&A Guideline 3.2.2).

(4) Summary

As stated in (1) through (3) above, the Tender Offer Price is deemed appropriate in light of the status of negotiations regarding the Transaction and

the fairness/reasonableness of the scheme, among other factors. Furthermore, the fairness/reasonableness of the terms and conditions of the Transaction, including the Tender Offer, is ensured because general shareholders are guaranteed to receive the same amount of consideration as the Tender Offer Price, regardless of whether such consideration is received through the Tender Offer or the Squeeze-out Procedures.

iii. The fairness of the procedures

Next, the Special Committee will examine whether it is acceptable to ensure the fairness of the procedures relating to the Transaction by confirming the status of adoption and operation of the Fairness Ensuring Measures referred to in the M&A Guidelines.

(1) Establishment of the special committee and procurement of written report from the said committee

The Special Committee is consulted on the matters set forth in Part 2 above from the Target Company, and in considering such matters, the Special Committee has been implementing the role that it should play under the M&A Guidelines (specifically, ① to examine and judge the necessity of M&A from the perspective of whether it contributes to the enhancement of the Target Company's corporate value, and ② to examine and judge (i) the reasonableness of the terms and conditions of the transaction and (ii) the fairness of the procedures, from the perspective of pursuing the interests of the general shareholders) (M&A Guidelines 3.2.2).

Furthermore, under the Securities Listing Regulations following the Revisions to Listing Regulations, etc., when a controlling shareholder conducts a tender offer, the target listed company is required to obtain an opinion from the special committee regarding whether the tender offer is fair to the general shareholders. This opinion must address: ① the merits of the transaction (whether it contributes to enhancing corporate value), ② the fairness of the transaction terms (whether the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration, and other transaction terms are fair), and ③ the fairness of the procedures (whether sufficient procedures have been implemented to ensure the fairness of the transaction terms) (Article 441, Paragraph 1 of the Securities Listing Regulations; Article 436-3, Paragraph 2 of the Ordinance for Enforcement of the Securities Listing Regulations). As described in Sections 2., 3., and this Section 4., the Special Committee has conducted its review and determination regarding the matters listed in ① to ③ above, which it is required to review and determine under the Securities Listing Regulations, etc.

The Special Committee is considered to be functioning effectively as the Fairness Ensuring Measures since it has been operated in the ways described in the following points. This corresponds to the above item ③.

① After receiving the Written Proposal from the Tender Offeror on July 7, 2025, the Special Committee was established on the 30th of the same month, and the First Meeting was held on the same date. The Special Committee was established as soon as possible after receiving the acquisition proposal from the acquirers (M&A Guidelines 3.2.4.1).

② The Special Committee is comprised of three independent outside directors and three independent outside auditors, and it was confirmed that each member is independent from the Tender Offeror, and the

success or failure of the Transaction (M&A Guidelines 3.2.4.2 B)a) and b)).

③ The Special Committee confirms that it is authorized to be substantially involved in the negotiation process regarding the terms and conditions of the Transaction by confirming the policies in advance regarding the negotiation on the terms and conditions of the Transaction, receiving timely reports on the status thereof, expressing its opinions at important points, and giving instructions and requests, and thereby ensures that the Special Committee is substantially affecting the negotiation process with respect to the transaction terms (M&A Guidelines 3.2.4.4).

④ The Special Committee is authorized to select its own advisors, etc. from the Target Company's Board of Directors, or to appoint or approve the advisors, etc. of the Target Company as the advisors, etc. of the Special Committee (including post approval), and is given the authority to seek expert advice from the advisors, etc. of the Target Company if the Special Committee decides that it can seek their expert advice, for example, in cases where such advisors have high levels of expertise and there are no issues with respect to their independence. In the First Meeting held on July 30, 2025, (i) Daiwa Securities, the financial advisor and third-party valuator of the Target Company, was approved as the financial advisor and third-party valuator of the Target Company after confirming that there were no issues with its independence and high level of expertise, (ii) Anderson Mori & Tomotsune, the legal advisor of the Target Company, was approved as the legal advisor of the Target Company after confirming that there were no issues with its independence and high level of expertise. Further, in the Second Meeting held on August 6, 2025, (iii) Plutus Consulting, the Special Committee's personal financial advisor and third-party valuator, was selected, and the Special Committee confirmed that it will receive expert advice therefrom if necessary (M&A Guideline 3.2.4.5).

⑤ The Special Committee has collected information necessary for consideration and judgment, such as by sending the Questionnaire (Tender Offeror) to, and receiving the Written Response (Tender Offeror) from the Tender Offeror, receiving explanations from the Target Company, and requesting the Tender Offeror to provide information (M&A Guidelines 3.2.4.6).

⑥ A fixed amount of remuneration is to be paid to each member of the Special Committee in compensation for their duties, regardless of the content of the recommendations, and the contingency fee system is not adopted (M&A Guidelines 3.2.4.7)

⑦ The Target Company's Board of Directors has resolved that decision-making of the Target Company's Board of Directors relating to the Transaction will be made with the utmost respect for the Special Committee's judgment and, that if the Special Committee decides that the terms and conditions of the Transaction are not appropriate, the Target Company's Board of Directors will disagree with the Transaction under such terms and conditions (M&A Guidelines 3.2.5).

(2) Decision-making process

In a resolution of the board of directors to decide whether to approve or disapprove an M&A, if all directors, excluding those with significant interest

with such M&A, gives approval and all auditors raise no objections, it will be regarded as a circumstance that indicates that the Fairness Ensuring Measures have effectively functioned in such M&A (M&A Guidelines 3.2.5 Footnote 46). According to the Target Company Press Release, at a meeting of the board of directors, it is expected that the eight independent directors of the Target Company will unanimously express their opinion in support of the Tender Offer and recommend the shareholders to tender their shares in the Tender Offer.

Two of the directors of the Target Company (Mr. Kazushi Shimizu and Mr. Hideo Yamane) and one of the auditors (Mr. Hirohisa Maeda) have been officers and employees of the Tender Offeror in the past. However, since at least seven years have passed since Mr. Kazushi Shimizu has been relocated from the Tender Offeror to the Target Company, and since at least five years have passed since Mr. Hideo Yamane has been relocated from the Tender Offeror to the Target Company, and since at least 15 years have passed since Mr. Hirohisa Maeda has been relocated from the Tender Offeror to the Target Company, and given that neither of the directors nor the auditor concurrently serve as the officers and employees of the Offeror, and given that they are not in a position to receive instructions from the Tender Offeror, the two directors and one auditor above are not found to fall under interested parties who must be considered to cause damage to the fairness of the procedures unless they are excluded from the discussions or negotiations of the Company's board of directors on the grounds that they have been officers and employees of the Tender Offeror in the past.

In addition, the Company intends to establish the Special Committee and obtain its opinions in accordance with (1) above. Since it will be resolved that the Target Company’s Board of Directors will make decisions with the utmost respect for the Special Committee's judgment and, that if the Special Committee decides that the terms and conditions of the Transaction are not appropriate, the Target Company’s Board of Directors will disagree with the Transaction, it can be said that the arbitrariness of decision-making of the Target Company with respect to the Transaction has been eliminated and the fairness, transparency and objectivity of decision-making process has been ensured (M&A Guidelines 3.2.4.4 and 3.2.5).

Based on the foregoing, there is no doubt on the fairness of decision-making process of the Target Company.

(3) Obtaining advice from an independent law firm

According to the Reviewed Materials and Hearings, Etc., the Target Company received advice from AMT, a legal advisor independent of the Company Group, the Tender Offeror Group and the outcome of the Transaction, regarding the establishment of a special committee, the selection of its members and other Fairness Ensuring Measures to ensure transparency and reasonableness in the decision-making process relating to the Transaction (M&A Guidelines 3.3.1).

In addition, at its first committee meeting on July 30, 2025, the Special Committee confirmed that there is no problem with the Target Company’s legal advisor, AMT’s high level of expertise and independence, and agreed that the Special Committee would, as necessary, seek professional advice, and has accordingly sought and received such advice.

Based on the foregoing, it is considered that the Target Company and the Special Committee have obtained professional advice from the legal advisor since the early stage of their consideration of the Transaction.

(4) Obtaining a share valuation report from an independent third-party valuator

According to the Reviewed Materials and Hearings, Etc., the Target Company's Board of Directors obtained the Share Valuation Report (Daiwa Securities) from an independent third-party valuator, Daiwa Securities, and the Special Committee obtained the Share Valuation Report (Plutus Consulting) from an independent third-party valuator, Plutus Consulting, each as materials for the valuation of the Target Company Stock and to ensure the fairness of the Tender Offer Price.

The contents of the Share Valuation Reports and the Business Plan underlying that valuations are reasonable, as set forth in ii. above.

With respect to the independence of Daiwa Securities, at the first committee meeting on July 30, 2025, the Special Committee directly confirmed with Daiwa Securities during the Hearings, Etc. that Daiwa Securities is independent of both the Tender Offeror Group and the Target Company Group and does not have any material interests in the Transaction, including the Tender Offer (M&A Guidelines 3.3.2.3). Although Daiwa Securities' remuneration includes a success fee contingent on completion of the Transaction, given that success-fee arrangements are common market practice in transactions of this kind, the existence of such a success-fee arrangement is not, by itself, considered to negate Daiwa Securities' independence.

Additionally, with respect to the independence of Plutus Consulting, at the second committee meeting on August 6, 2025, the Special Committee directly confirmed with Plutus Consulting during the Hearings, Etc. that Plutus Consulting is independent of both the Tender Offeror Group and the Target Company Group and does not have any material interests in the Transaction, including the Tender Offer (M&A Guidelines 3.3.2.3). Plutus Consulting's remuneration consists solely of fixed fees payable regardless of whether the Transaction is completed and does not include a success fee.

Based on the foregoing, each Share Valuation Report is recognized as a share valuation report prepared by an independent third-party valuation advisor (M&A Guidelines 3.3.2).

(5) Obtaining Fairness Opinions

To ensure the fairness of the Tender Offer Price, the Company's board of directors obtained from Daiwa Securities the Fairness Opinion (Daiwa Securities) stating that the Tender Offer Price of 2,600 yen per share is, from a financial perspective, fair to the Target Company's shareholders excluding the Tender Offeror, which is the Target Company's parent company, and its affiliates.

Also, the Special Committee obtained from Plutus Consulting the Fairness Opinion (Plutus Consulting) stating that the Tender Offer Price of 2,600 yen per share is, from a financial perspective, fair to the Target Company's general shareholders.

Fairness opinions differ from valuation reports in that in fairness opinions, the third-party valuation advisor forms and expresses an opinion with the objective of evaluating the fairness of the proposed transaction terms between the parties, specifically with respect to the interests of general shareholders of the target company. Accordingly, compared with valuation reports, fairness opinions are reference information that can relate more directly, and be of greater significance, to the value of the target company, and therefore can be more useful to address issues with respect to structural conflicts of interest and

information asymmetries in the process of formulating transaction terms (M&A Guidelines 3.3.2.2 A)).

The M&A Guidelines further state that fairness opinions should be positively evaluated as a Fairness Ensuring Measure if the third-party valuation advisor issues a fairness opinion with elements that include: (i) independence and neutrality, (ii) a rigorous issuance process, (iii) advanced expertise and performance, and (iv) a positive reputation (M&A Guidelines 3.3.2.2 B)).

With respect to the independence of Daiwa Securities and Plutus Consulting, as noted in (4) above, the Special Committee held the Hearings, Etc. with Daiwa Securities and Plutus Consulting and confirmed that both firms are (i) independent and neutral.

Further, through the Hearings, Etc. with Daiwa Securities and Plutus Consulting, the Special Committee confirmed that each firm satisfies the elements (ii) through (iv).

Therefore, the Special Committee considers that the Fairness Opinions can be positively evaluated as a Fairness Ensuring Measure.

(6) Consideration given to avoid coercion

According to the Tender Offer Notification, the Tender Offeror has indicated that: (i) promptly after the settlement of the Tender Offer is completed, the Tender Offeror will request the Company to hold an extraordinary general meeting of shareholders with a resolution agenda including (a) a cash-out request for all of the Target Company Stock in proportion to the number of shares the Tender Offeror will acquire upon completion of the Tender Offer (excluding the Company's Stock directly owned by the Tender Offeror and treasury shares held by the Company) or (b) a partial amendment to the articles of incorporation to abolish the provision on share unit, subject to a share consolidation and the effectiveness of such share consolidation, and that the Tender Offeror will not adopt any method that would fail to secure the Target Company's shareholders' rights to demand purchase of shares or to seek price determination; and (ii) when a cash-out request or share consolidation is implemented, the amount of money to be delivered to the Target Company's each shareholder (other than the Tender Offeror and the Company) as consideration will be calculated so that it is equal to the Tender Offer Price multiplied by the number of the Target Company Stock held by that shareholder. Therefore, as the Target Company's shareholders are provided with an opportunity to appropriately decide whether to tender their shares in the Tender Offer, it is recognized that consideration has been given to avoid coercion (M&A Guidelines 3.7).

(7) Ensuring objective circumstances to secure the appropriateness of the Tender Offer Price and the fairness of the Tender Offer

According to the Tender Offer Notification, the Tender Offeror set the Tender Offer Period to 30 business days even though the statutory minimum purchase period for a tender offer is 20 business days. Setting the Tender Offer Period longer than the statutory period is considered to secure an opportunity for all shareholders of the Target Company to appropriately decide whether to tender their shares in the Tender Offer.

Additionally, the Tender Offeror and the Target Company have not made any agreements containing provisions that prohibit the Target Company from contacting competing offerors, including transaction protection provisions, or any agreements that restrict competing offeror from contacting the Target Company.

Thus, by setting the Tender Offer Period as described above and ensuring that opportunities for competing acquisition offers are available, it is recognized that consideration has been given to secure the fairness of the Tender Offer.

(8) Market check

As described in (7) above, by setting the Tender Offer Period at 30 business days and by not entering into agreements, including ones containing transaction protection provisions, that would restrict competing offerors from contacting the Target Company, a so-called indirect market check, where an M&A transaction is executed in a manner that allows other prospective acquiring parties to make competing proposals after the proposed M&A transaction is announced, is implemented in the Transaction (M&A Guidelines 3.4.2).

The M&A Guidelines note that in cases where the acquiring party is a controlling shareholder, there are only a limited number of cases where a market check will function as a Fairness Ensuring Measure, and in most cases there will be scant meaning to implementing a market check. Nonetheless, since there may be exceptional cases in which a market check can function properly, it is advised that the Special Committee confirm that these exceptional circumstances do not exist. Under the M&A Guidelines, such exceptional circumstances are identified as, in particular: (i) cases where the percentage of voting rights held by the controlling shareholder is low; (ii) cases where there is a possibility that, if a highly attractive competing proposal is made, the controlling shareholder may decide to sell; and (iii) cases where the controlling shareholder intends to acquire the controlled company initially, and then eventually dispose of all or part of the controlled company (M&A Guidelines 3.4.3.2, note 66).

On examining whether any such exceptional circumstances exist, the Special Committee notes that (i) the Tender Offeror, as the Target Company's controlling shareholder, owns a majority of the Target Company Stock, and thus, this is not a case where the percentage of voting rights held by the controlling shareholder is low. Furthermore, (ii) it was expressly stated during the Hearings, Etc. that, from a business-strategy perspective of the Tender Offeror Group, making the Target Company a wholly-owned subsidiary is indispensable to further strengthen and accelerate cooperation and collaboration and that the Transaction is therefore essential. Accordingly, even if a highly attractive competing proposal were made, it is considered highly unlikely that the Tender Offeror would decide to sell. In addition, (iii) according to the Tender Offeror, there are no plans to sell all or part of the Company after the Tender Offeror acquiring the Company under the Transaction scheme.

Therefore, the Special Committee concluded that there are no exceptional circumstances in the Transaction that would necessitate an active market check.

(9) Majority of minority

According to the Tender Offer Notification, no minimum purchase threshold corresponding to the so-called "majority of the minority" has been set for this Tender Offer, on the grounds that setting such minimum purchase threshold corresponding to the so-called "majority of the minority" could render the consummation of the Tender Offer uncertain and may not serve the interests of general shareholders wishing to tender their shares in the Tender Offer.

While a "majority of the minority" minimum purchase threshold has not been applied to this Tender Offer, when viewed together with other Fairness

Ensuring Measures described in this section 4., it is recognized that a reasonable degree of consideration has been given to the Target Company's general shareholders.

(10) Enhancement of the provision of information to general shareholders and improvement of process transparency

The M&A Guidelines recommend providing material information for general shareholders to decide the reasonableness of transaction terms (M&A Guidelines 3.6.1). Specifically, enhanced disclosures are expected regarding information related to the special committee and the share valuation report (M&A Guidelines 3.6.2). In addition, under the Securities Listing Regulations, etc. following the Revisions to Listing Regulations, Etc., when a decision is made to conduct a tender offer by a controlling shareholder, the listed company concerned is required to make timely disclosures that are necessary and sufficient and to attach to such timely disclosures a written statement setting out the opinion of the special committee (Securities Listing Regulations, etc., Article 441, Paragraph 2). Please note that the scope of necessary and sufficient timely disclosure has been expanded to include disclosure of the key assumptions used in valuing the shares (the assumptions underlying financial forecasts and the valuation methodologies).

In the Transaction, the Tender Offer Notification and the Target Company Press Release will provide enhanced disclosures, including the details of the authority granted to the Special Committee, the chronology of the Special Committee's deliberations and the status of its involvement in negotiation process, the details of this Report, and the structure of remuneration for committee members (M&A Guidelines 3.6.2.1), the outline of the Share Valuation Reports and the Fairness Opinions (M&A Guidelines 3.6.2.2), the process leading to the implementation of the Transaction and the course of negotiations (M&A Guidelines 3.6.2.3), the key assumptions used in valuing the shares (the assumptions underlying financial forecasts and the valuation methodologies). Also, the Report is scheduled to be attached to the Target Company Press Release.

It is therefore recognized that material information has been provided to the Target Company's general shareholders to decide the reasonableness of transaction terms (and that the Target Company has made timely disclosures that are necessary and sufficient), with a written statement setting out the opinion of the special committee attached thereto.

(11) Brief summary

As described in (1) through (10) above, in the Transaction (i) a situation substantially equivalent to an arm's length transaction has been ensured in the process of formulating the transaction terms, and (ii) from the perspective of ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information (M&A Guidelines 2.4), robust Fairness Ensuring Measures have been adopted and are effectively implemented. Therefore, in conclusion, it is recognized that, in the Transaction, sufficient consideration has been given to the interests of general shareholders through fair procedures.

iv. Based on the Advisory Matters (i) through (iii), whether the Transaction is not disadvantageous to the Target Company's general shareholders

The Special Committee believes that the matters requested to be reviewed in Advisory Matters (i) through (iii) will be a factor to be considered when reviewing Advisory Matters (iv). As stated in i. through iii. above, the Special Committee

did not find any issues with respect to Advisory Matters (i) through (iii) as a result of its consideration.

Based on the above, the Special Committee hereby expresses its opinion that the Transaction (including the Target Company's Board of Directors' decisions on the Transaction) is fair to the Target Company's general shareholders.

v. Whether the Target Company's Board of Directors should express its opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer

The Special Committee believes that confirmation in Advisory Matters (i) through (iv) of the legitimacy and rationality of the purpose of the Transaction, the fairness of the procedures for the Transaction, and the fairness and reasonableness of the terms of the Transaction and confirmation that a decision to proceed with the Transaction would be fair to the Target Company's general shareholders, would justify endorsing Advisory Matters (v). As described in i. through iv. above, the Special Committee did not find any issues with regard to Advisory Matters (i) through (iv) as a result of its review.

Based on the above, the Special Committee expresses its opinion that it is appropriate for the Target Company's Board of Directors to adopt a resolution stating its opinion in support for the Tender Offer, and recommending that the Target Company's shareholders tender their shares in the Tender Offer.

It should be noted that significant changes may occur in the Transaction terms or the Target Company's circumstances prior to the commencement of the Tender Offer, or that a competing proposal may be made, in which cases, separate consideration may be required. Please note that the opinion expressed in the Report reflects the Special Committee's judgment at the time of preparation of the Report.

(iv) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization

i. Name of the Valuation Organization and its Relationship with the Target Company and the Tender Offeror

When considering the Advisory Matters, the Special Committee requested that Plutus Consulting, its financial advisor and third-party valuation organization independent of the Tender Offeror, etc. and the Target Company Group, evaluate the Target Company Stock and express an opinion from a financial perspective regarding the fairness of the terms of the Transaction, including the Tender Offer Price, for the general shareholders of the Target Company, in order to ensure the appropriateness of the terms of the Transaction including the Tender Offer Price; and the Special Committee obtained the Share Valuation Report (Plutus Consulting), and the Fairness Opinion (Plutus Consulting) on October 29, 2025.

Plutus Consulting is not a related party to the Tender Offeror, etc. or the Target Company Group, nor does it have a material interest in the Transaction, including the Tender Offer, that should be noted. The fees due to Plutus Consulting for the Transaction are only fixed fees payable irrespective of the success or failure of the Transaction, and they do not include contingent fees that are payable only upon the successful completion of the Transaction, including the Tender Offer.

ii. Overview of the Calculation of the Target Company Stock

After considering the calculation method to be adopted in calculating the value of the Target Company Stock from among multiple calculation methods, Plutus Consulting analyzed and calculated the per- share value of the Target Company Stock using the following methods, based on

its opinion that it was appropriate to evaluate the value of the Target Company Stock from multiple perspectives based on the premise that the Target Company is a going concern: the market share price analysis (taking into consideration trends in the market share price of the Target Company), the comparable company analysis (given the existence of a number of listed companies comparable to the Target Company, allowing for the inference of the share value of the Target Company through comparison with those companies); and the DCF Analysis (in order to reflect the details of the business results and prospects of the Target Company in the evaluation). The Special Committee obtained the Share Valuation Report (Plutus Consulting) dated October 29, 2025 from Plutus Consulting.

The ranges of the per-share value of the Target Company Stock calculated by Plutus Consulting using those methods are as follows:

Market share price analysis:	1,916 yen to 2,160 yen
Comparable company analysis:	2,411 yen to 3,689 yen
DCF Analysis:	2,326 yen to 2,800 yen

Under the market share price analysis, Plutus Consulting set October 29, 2025 as the reference date, and calculated the per-share value of the Target Company Stock to range from 1,916 yen to 2,160 yen, based on the following prices of the Target Company Stock on the Prime Market of the Tokyo Stock Exchange: the closing price on the reference date (2,156 yen); the simple average of the closing price for the previous one month (from September 30, 2025 to October 29, 2025) (2,160 yen); the simple average of the closing price for the previous three months (from July 30, 2025 to October 29, 2025) (2,139 yen); and the simple average of the closing price for the previous six months (from April 30, 2025 to October 29, 2025) (1,916 yen).

Under the comparable company analysis, Plutus Consulting selected Toyoda Gosei Co., Ltd., NOK CORPORATION, Toyo Tire Corporation, Nitta Corporation, FUKOKU Co., Ltd., The Yokohama Rubber Co., Ltd., and NICHIRIN CO., LTD.as comparable listed companies that were determined to be similar to the Target Company, and the per-share value of the Target Company Stock was calculated to range from 2,411 yen to 3,689 yen using the ratio of EBITDA to the corporate value.

Under the DCF Analysis, the Target Company's corporate value and share value were analyzed by discounting the free cash flow that is expected to be generated by the Target Company in and after the second quarter of the fiscal year ending March 2026 at a certain discount rate to the present value, based on the Business Plan, and on the premise of relevant factors, including profits and investment plans in the Business Plan, publicly available information, and other factors. Using this methodology, the per-share value of the Target Company Stock was calculated to range from 2,326 yen to 2,800 yen. Using the weighted average cost of capital, the discount rate of 9.4% to 11.1% was adopted, and when calculating the terminal value, the perpetual growth rate model was adopted. The perpetual growth rate of 0% was used, and the Target Company's terminal value was calculated to range from 2,844 yen to 3,342 yen.

In addition, the Target Company's non-operating assets, such as cash and deposits, trading assets, shares of affiliated companies, and investment securities, were included.

The consolidated financial projections of the Target Company, based on the Business Plan used by Plutus Consulting as the premise of the calculation under the DCF Analysis are as follows. The Business Plan does not include any fiscal year in which significant increases or decreases in profits are expected, or in which significant increases or decreases in free cash flow are expected. The anticipated synergy effects resulting from the implementation of the Transaction have not been reflected in the calculation above as it is currently difficult to accurately estimate such effects.

(Unit: in millions of yen)

	FY ending in March 2026 (Nine months)	FY ending in March 2027	FY ending in March 2028	FY ending in March 2029	FY ending in March 2030
Net Sales	465,217	638,065	656,726	670,449	700,006
Operating income	27,867	40,166	41,392	41,763	43,934
EBITDA	53,821	76,011	77,550	78,918	81,876
Free cash flow	21,806	25,563	26,085	26,705	27,404

iii. Overview of the Fairness Opinion (Plutus Consulting)

The Target Company obtained the Fairness Opinion (Plutus Consulting) dated October 29, 2025 from Plutus Consulting stating that the Tender Offer Price of 2,600 yen per share is, from a financial perspective, fair to general shareholders of the Target Company (Note 3). Plutus Consulting expressed the opinion that the Tender Offer Price of 2,600 yen per share is, from a financial perspective, fair to the general shareholders of the Target Company, in light of the valuation of the Target Company Stock based on the Business Plan, among other factors.

The Fairness Opinion (Plutus Consulting) was issued by Plutus Consulting through the following: (i) consideration of (a) the results of valuation of the Target Company Stock conducted based on the disclosure by the Target Company of the Target Company Group's current business status and business prospect, and explanations received therefor, (b) question-and-answer session with the Target Company concerning the overview, background and purpose of the Tender Offer, (c) the business environment of the Target Company Group, economic, market and financial conditions, and other relevant factors to the extent deemed necessary by Plutus Consulting; and (ii) review procedures by an examination committee at Plutus Consulting independent of its engagement team.

(Note 3) In preparing and submitting the Fairness Opinion (Plutus Consulting) and calculating the underlying share value, Plutus Consulting relied on the information and base materials provided by or discussed with the Target Company, and publicly-available materials assuming that they are accurate and complete and do not contain any facts that may materially affect the analysis or calculation of the value of the Target Company Stock and have not been disclosed to Plutus Consulting. Plutus Consulting has not independently investigated or verified, nor does it have any obligation to investigate or verify such information or materials.

Plutus Consulting assumed that the business outlook and other materials of the Target Company that it used as the base materials for the Fairness Opinion (Plutus Consulting) were reasonably prepared by the management of the Target Company based on the best forecasts and judgment available at that time. Plutus Consulting neither guarantees the feasibility of the forecasts, nor has it expressed its views regarding the analysis or forecasts used as the basis for the preparation thereof, or underlying preconditions for the analysis or forecasts.

Plutus Consulting has not independently conducted any valuations or appraisals, nor has received any written valuations or written appraisals regarding any assets or liabilities (including off-balance sheet assets and liabilities, and other contingent liabilities) of the Target Company or its affiliates, including analyzing and evaluating their individual assets and liabilities. Therefore, Plutus Consulting has not evaluated the solvency of the Target Company or any of its affiliates.

Plutus Consulting is not an organization specialized in law, accounting, or tax. Therefore, Plutus Consulting does not express any views about legal, accounting, or tax issues concerning the Tender Offer, nor does it have any obligation to do so.

The Fairness Opinion (Plutus Consulting) expressed an opinion on the fairness of the Tender Offer Price from a financial perspective for the purpose of providing consideration for the Special Committee in making reports on the Advisory Matters. Accordingly, the Fairness Opinion (Plutus Consulting) does not express any opinion about the advantages and disadvantages compared to the transaction that may be an alternative option to the Tender Offer, the benefits from the implementation of the Tender Offer, and the pros and cons of executing the Tender Offer.

The Fairness Opinion (Plutus Consulting) provides opinions as of the creation date thereof, on whether the Tender Offer Price is fair for the Target Company's general shareholders from a financial perspective, based on the financial and capital markets, economic conditions, and other circumstances as of the creation date thereof, as well as the information obtained by Plutus Consulting by that date. The Fairness Opinion (Plutus Consulting) may be affected by changes in the subsequent situation; however, Plutus Consulting does not have any obligation to correct, amend, or supplement the Fairness Opinion (Plutus Consulting). The Fairness Opinion (Plutus Consulting) does not imply or suggest any opinion other than the matters expressly provided therein or in relation to any matters that may arise on or after the submission date thereof.

Plutus Consulting does not solicit investments in the Target Company and does not have the authority to do so. The Fairness Opinion (Plutus Consulting) only provides opinions to the effect that the Tender Offer Price is fair and not disadvantageous to the Target Company's general shareholders from a financial perspective, and it does not express any opinion or make any recommendations regarding whether the Tender Offer should be implemented or regarding the tendering in or other conducts related to the Tender Offer. Additionally, it does not provide the owners of securities issued by the Target Company, its creditors, or other related parties with any opinion. Therefore, Plutus Consulting assumes no responsibility to the shareholders and third parties who relied on the Fairness Opinion (Plutus Consulting).

The Fairness Opinion (Plutus Consulting) has been provided by Plutus Consulting to be used as the base material for decision-making regarding the Tender Offer Price by the Target Company's Board of Directors and the Special Committee, and it should not be relied on by any other parties.

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

As described in "(i) Background to Establishing a Consideration Framework" in "B. The Decision-Making Process and Reasons Leading the Target Company to Support the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" in "1. Purpose of the Purchase" above, the Target Company appointed Anderson Mori & Tomotsune, as its legal advisor independent of the Tender Offeror, etc. and the Target Company Group. The Target Company has received legal advice therefrom, regarding the measures to take in order to secure the fairness of the procedures in the Transaction; the procedures in the Transaction; the method and process of decision-making by the Target Company regarding the Transaction, other points to note when making decisions, and other matters.

In addition, as described in "C. Establishment of the Independent Special Committee, and Obtainment of the Special Committee's Written Report, by the Target Company" above, the Special Committee approved the appointment of Anderson Mori & Tomotsune after confirming that there were no issues regarding their independence, expertise, and track records.

Anderson Mori & Tomotsune, is neither a related party of the Tender Offeror, etc. or the Target Company Group, nor does it have a material interest in the Transaction, including the Tender Offer, that should be noted. The fees due to Anderson Mori & Tomotsune for the Transaction are calculated by multiplying the number of work hours by the hourly rate, irrespective of the success or failure of the Transaction, and they do not include contingent fees that are payable only upon the successful completion of the Transaction.

(vi) Establishment of Independent Consideration Framework at the Target Company

To eliminate structural conflicts of interest, the Target Company has internally established a system to consider, negotiate and make decisions for the Transaction independently from the Tender Offeror, etc.

Specifically, after receiving a proposal from the Tender Offer on July 7, 2025 stating that it wished to initiate consideration and discussion for the implementation of the Transaction, the Target Company considered establishing, and subsequently established, a project team which would consider the Transaction and engage in discussions and negotiations with the Tender Offeror. The team members consist only of officers and employees of the Target Company who do not serve as officer or employees of each of the Tender Offeror group companies, excluding the Target Company Group, and the Target Company continues such handling. In addition, Mr. Kazushi Shimizu and Mr. Hideo Yamane, who are directors of the Target Company, previously held positions as employees of the Tender Offeror; however, more than seven years and five years have passed since Mr. Kazushi Shimizu and Mr. Hideo Yamane transferred from the Tende Offeror to the Target Company, and they are not involved in the Transaction at all on the Tender Offeror's side, nor are they in the position to do so. The Target Company therefore determined that there will be no risk of conflict of interest in relation to decision-making by the Target Company on the Transaction, and thus, they participated in deliberations and resolution at the Board of Directors meeting above. The Special Committee has approved that there are no issues regarding independence and fairness in the Target Company's consideration framework (including the scope of officers and employees of the Target Company involved in such consideration, negotiation, and determination, and their duties), including the handling of this matter.

(vii) Approval of All Directors of the Target Company Without Conflict of Interest and Opinion of All Corporate Auditors of the Target Company Without Conflict of Interest That They Have No Objections

The Target Company carefully discussed and considered the details of the terms and conditions of the Tender Offer by the Tender Offeror, based on the following: (i) legal advice received from Anderson Mori & Tomotsune; (ii) advice from a financial perspective received from Daiwa Securities; (iii) the Share Valuation Report (Daiwa Securities) and the Fairness Opinion (Daiwa securities); (iv) the Share Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) provided through the Special Committee; (v) the Written Report obtained from the Special Committee; (vi) details of continuous discussions conducted multiple times with the Tender Offeror; and (vii) other related materials. As a result, as described in "iii. Details of the Decision" in "B. The Decision-Making Process and Reasons Leading the Target Company to Support the Tender Offer" in "(2) Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" in "1. Purpose of the Purchase" above, in its Board of Directors meeting held today, the Target Company passed a resolution to express an opinion in support of the Tender Offer, and to recommend to its shareholders that they tender their shares to the Tender Offer.

All eight directors of the Target Company (three of whom are independent outside directors) participated in the deliberations during the above Board of Directors meeting, and the resolution was passed with unanimous consent of the directors who participated in the deliberations.

In addition, all five corporate auditors of the Target Company (three of whom are independent outside corporate auditors) attended the above Board of Directors meeting, and they stated their opinion that they have no objection to the Target Company expressing an opinion in support of the Tender Offer and recommending to its shareholders that they tender their shares to the Tender Offer.

Two directors of the Target Company (Mr. Kazushi Shimizu and Mr. Hideo Yamane) and one corporate auditor of the Target Company (Mr. Hirohisa Maeda) previously held positions as officers or employees of the Tender Offeror; however, more than seven years, five years, and fifteen years have passed since Mr. Kazushi Shimizu, Mr. Hideo Yamane, and Mr. Hirohisa Maeda transferred

from the Tender Offeror to the Target Company, and they do not concurrently serve as officers and employees of the Tender Offeror, and are not in positions to receive instructions from the Tender Offeror. The Target Company therefore determined that these two directors and one auditor of the Target Company did not have any interest that would be deemed to compromise the fairness of the procedures if they were not excluded from deliberation or resolution by the Board of Directors. The Special Committee has approved that there are no issues regarding independence and fairness in the Target Company's consideration framework for the Transaction, including the handling of this matter.

(viii) No Deal Protection Provisions

The Tender Offeror and the Target Company have not entered into any agreement that limits the opportunities for the Target Company to have contact with a competing offeror, such as an agreement that includes deal protection provisions that prohibit the Target Company from having contact with an offeror other than the Tender Offeror ("Competing Offeror"). The Tender Offeror has given consideration to securing the fairness of the Tender Offer by not hindering opportunities for a competing offer.

(ix) Measures to Ensure Opportunities for Shareholders of the Target Company to Appropriately Determine Whether to Tender in the Tender Offer

As stated in "(4) Policies Regarding Reorganization After the Tender Offer (Matters Regarding the So-Called Two-Stage Purchase)" of "1. Purpose of the Purchase" above, the Tender Offeror has expressed the following: (i) the Tender Offer intends to request, promptly after the completion of the settlement of the Tender Offer, that the Target Company hold the Extraordinary Shareholders Meeting whose agenda includes: (a) that the Tender Offeror conduct the Demand for Cash-Out with respect to all shares of Target Company Stock (excluding shares of the Target Company Stock owned by the Tender Offeror and treasury shares owned by the Target Company) commensurate with the number of shares acquired upon the successful completion of the Tender Offer; or (b) that the Target Company conduct the Share Consolidation and partially amend its Articles of Incorporation to abolish the unit share clause, on condition that the Share Consolidation becomes effective; and the Tender Offeror will not adopt any methods that do not secure, for the Target Company's shareholders, the right to demand the purchase of shares or the determination of price; and (ii) in conducting the Demand for Cash-Out or the Share Consolidation, the cash delivered to the Target Company's shareholders as consideration will be calculated to equal the Tender Offer Price multiplied by the number of shares of the Target Company Stock owned by the respective shareholders (excluding the Tender Offeror and the Target Company). Accordingly, the Tender Offeror has considered avoidance of coerciveness by securing the opportunity for the Target Company's shareholders to appropriately decide whether to tender in the Tender Offer.

The Tender Offeror has set the Tender Offer Period to 30 business days, which is longer than the shortest period of 20 business days provided by relevant laws and regulations. By setting such a comparatively long Tender Offer Period, the Tender Offeror intends to secure an appropriate opportunity to allow the Target Company shareholders to decide whether to tender their shares in the Tender Offer, and at the same time, to ensure the appropriateness of the Tender Offer Price.

In implementing the Transaction, the Target Company has not investigated or considered whether there are potential offerors (i.e., an active market check). The Target Company believes that the absence of an active market check does not mean that the fairness of the Tender Offer is insufficiently assured, for the following reasons: (i) from the perspective of information management and other matters, it can be challenging to carry out active market checks in practice; and (ii) as of today, the Tender Offeror, who proposed the Transaction, is the largest shareholder of the Target Company and owns 51,534,901 shares of the Target Company Stock (ownership ratio: 49.64%), causing the Target Company to classified as its consolidated subsidiary based on the criteria of

substantial control, and accordingly, it is unlikely that there will be a counteroffer to the Tender Offeror's proposal.

C. Relationship with Valuation Organization

JPMorgan Securities, a financial advisor and third-party valuation organization of the Tender Offeror, is neither a related party of the Tender Offeror or the Target Company, nor does it have a material interest in the Tender Offer.

(5) Number of Shares to be Purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
51,289,700 shares	16,681,702 shares	— shares

(Note 1) If the total number of the Tendered Shares does not reach the minimum number of shares to be purchased (16,681,702 shares), no Tendered Shares will be purchased. If the total number of the Tendered Shares is equal to or exceeds the minimum number of shares to be purchased (16,681,702 shares), all Tendered Shares will be purchased.

(Note 2) Because no maximum number of shares to be purchased has been set in the Tender Offer, the "number of shares to be purchased" is the number of Target Company Stock, which is the maximum possible number of Target Company Stock to be obtained by the Tender Offeror through the Tender Offer (51,289,700 shares). Such maximum number is obtained by deducting (a) from (b), wherein (a) is the number of treasury shares owned by the Target Company as of September 30, 2025 (218,808 shares) as stated in the Target Company Financial Results, the number of shares directly owned by the Tender Offeror as of today (51,534,901 shares), and Shares Owned by Wholly Owned Subsidiaries which will not be tendered in the Tender Offer (999,397 shares), and (b) is the total number of issued shares as of September 30, 2025, as stated in the Target Company Financial Results (104,042,806 shares).

(Note 3) Shares in quantities of less than one unit are also subject to the Tender Offer. If a right to demand the purchase of shares in quantities of less than one unit is exercised by any of the Target Company's shareholders pursuant to the Companies Act, the Target Company may purchase those shares during the Tender Offer Period in accordance with the procedures under the relevant laws and regulations.

(Note 4) The Tender Offeror does not intend to acquire treasury shares owned by the Target Company and Shares Owned by Wholly Owned Subsidiaries through the Tender Offer.

(6) Changes in Ownership Ratio of Shares by the Purchase

Number of voting rights attached to Shares owned by the Tender Offeror before the purchase	515,349 voting rights	(Ownership ratio of Shares before the purchase: 49.64 %)
Number of voting rights attached to Shares owned by specially related parties before the purchase	8,563 voting rights	(Ownership ratio of Shares before the purchase: 0.82 %)
Number of voting rights attached to Shares owned by the Tender Offeror after the purchase	1,028,246 voting rights	(Ownership ratio of Shares after the purchase: 99.04 %)

Number of voting rights attached to Shares owned by specially related parties after the purchase	7,143 voting rights	(Ownership ratio of Shares after the purchase: 0.69 %)
Number of voting rights of all shareholders of the Target Company	1,037,671 voting rights	

(Note 1) The "number of voting rights attached to Shares owned by specially related parties before the purchase" is the total number of voting rights attached to Shares owned by each specially related party (excluding those specially related parties who are excluded from being a specially related party under Article 3, paragraph (2), item (i) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, as amended; the "Cabinet Office Order") for the purpose of calculating the ownership ratio of Shares under the items of Article 27-2, paragraph (1) of the Act). Note that in the Tender Offer, 142,056 shares owned by Sumiden Shoji Co., Ltd. of the Shares owned by specially related parties (including 31,246 shares of Target Company Stock indirectly owned by Sumiden Shoji Co., Ltd. through Target Company's Sumitomo Riko Kyouei Stock Ownership Association) are also targets of the purchase, and therefore, for the purpose of calculating "number of voting rights attached to Shares owned by specially related parties after the purchase," the number of voting rights attached to 142,056 shares (1,420 voting rights) of the "number of voting rights attached to Shares owned by specially related parties before the purchase" is not added to the numerator. The Tender Offeror intends to review the number of Shares of the Target Company that are owned by specially related parties from today onward and, if any amendment is required, disclose the details of the amendment.

(Note 2) The "number of voting rights of all shareholders of the Target Company" is the total number of voting rights of all shareholders as of March 31, 2025, as stated in the Target Company's annual securities report of the 137th Fiscal Term submitted by the Target Company on June 20, 2025 (one unit of shares is stated to consist of 100 shares). However, since shares in quantities of less than one unit are also subject to the Tender Offer, for the purpose of calculating the "ownership ratio of Shares before the purchase" and the "ownership ratio of Shares after the purchase," the number of voting rights (1,038,239 voting rights) attached to the number of shares (103,823,998 shares) obtained by deducting (a) the number of treasury shares owned by the Target Company as of June 30, 2025 as stated in the Target Company Financial Results (218,808 shares) from (b) the total number of issued shares of the Target Company as of June 30, 2025 as stated in the Target Company Financial Results (104,042,806 shares), was used as the denominator.

(Note 3) 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 the second decimal place.

(7) Purchase Price 133,353.22 million yen

(Note) The purchase price is calculated by multiplying the number of Shares to be purchased (51,289,700 shares) by the Tender Offer Price (2,600 yen).

(8) Settlement Method

A. Name and Head Office Location of Financial Instruments Business Operator, Bank, and Any Other Institution Conducting Settlement of Purchase

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

B. Commencement Date of Settlement

December 22, 2025 (Monday)

C. Settlement Method

Without delay following the conclusion of the Tender Offer Period, a notice of purchase through the Tender Offer will be mailed to the addresses or locations of any person who accepts the offer to purchase or offers to sell Shares related to the Tender Offer (the "Tendering Shareholder" or "Tendering Shareholders") (or standing proxies for shareholders who are residents of foreign countries; including corporate shareholders, the "Foreign Shareholders"). For the tendering in the online trade (https://trade.smbcnikko.co.jp/) (the "Nikko Easy Trade"), the notice will be delivered electronically.

Purchase will be made by cash. The proceeds from selling the purchased Shares will be transferred to the accounts designated by the Tendering Shareholders (or standing proxies for the Foreign Shareholders) without delay on or after the commencement date of settlement, according to the instruction of the Tendering Shareholders (or standing proxies for the Foreign Shareholders).

D. Method of Return of Shares

If none of the Tendered Shares is purchased in accordance with the conditions described in "A. Existence and Details of Conditions Set Forth in Each Item of Article 27-13, Paragraph (4) of the Act" and "B. Existence of Conditions of Withdrawal of the Tender Offer, Details Thereof, and Method of Disclosure of Withdrawal" in "(9) Other Terms and Conditions and Methods of Purchase" below, the tender offer agent will return the Shares to be returned by restoring the state in the Tendering Shareholder's account opened with the tender offer agent to the state at the time they were tendered (which means the state where the execution of order for tendering shares in the Tender Offer is cancelled), on the second business day after the last day of the Tender Offer Period (or, if the Tender Offer is withdrawn, on the date of withdrawal).

(9) Other Terms and Conditions and Methods of Purchase

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

If the total number of the Tendered Shares is less than the minimum number of Shares to be purchased (16,681,702 shares), no Tendered Shares will be purchased. If the total number of the Tendered Shares is equal to or exceeds the minimum number of Shares to be purchased (16,681,702 shares), all Tendered Shares will be purchased.

B. Existence of Conditions of Withdrawal of the Tender Offer, Details Thereof, and Method of Disclosure of Withdrawal

In the event that any of the facts set forth in Article 14, paragraph (1), item (i), (a) through (j) as well as (m) through (s), Article 14, paragraph (1), item (iii), (a) through (h) and (j), as well as Article 14, paragraph (2), item (iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "Order") occurs, the Tender Offer may be withdrawn. In the Tender Offer, the "facts equivalent to those set forth in sub-items (a) through (i)" mentioned in Article 14, paragraph (1), item (iii), (j) of the Order means the following cases: (I) where it has been discovered that any of the statutory disclosure documents previously submitted by the Target Company contains a false statement regarding a material matter or omits a material matter that should have been included, if the Tender Offeror is unaware of the false statement or the omission and could not have become aware of the same despite having used a reasonable degree of care, and (II) where any of the events set forth in (a) to (g) of the same item has occurred to an important subsidiary of the Target Company.

If the Tender Offer is intended to be withdrawn, an electronic public notice will be made, and a notice to that effect will be published in the Nikkei. However, if issuing the public notice by

the last day of the Tender Offer Period proves difficult, the announcement will be made via the methods set forth in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter.

C. Existence of Conditions for Reduction in Purchase Price, Details Thereof, and Method of Disclosure of Reduction

In accordance with the provisions of Article 27-6, paragraph (1), item (i) of the Act, in the event that the Target Company engages in any of the actions set forth in Article 13, paragraph (1) of the Order during the Tender Offer Period, the purchase price may be reduced in accordance with the standards set forth in Article 19, paragraph (1) of the Cabinet Office Order. If the purchase price is intended to be reduced, an electronic public notice will be made, and a notice to that effect will be published in the Nikkei. However, if issuing the public notice by the last day of the Tender Offer Period proves difficult, the announcement will be made via the methods set forth in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter. If the purchase price has been reduced, the Tendered Shares on or before the day on which such public notice was made will be purchased at the reduced purchase price.

D. Matters Relating to the Tendering Shareholders' Right to Contract Cancellation

A Tendering Shareholder may cancel a contract in relation to the Tender Offer at any time during the Tender Offer Period.

When canceling the contract, please deliver or send a document indicating your intention to cancel the contract in relation to the Tender Offer (the "Cancellation Document") to the party designated below no later than 3:30 PM on the last day of the Tender Offer Period (Business hours will differ depending on the head office or branch office, so please confirm the business hours and other relevant information of the office you intend to use in advance.). If sending the Cancellation Document, the document must reach to the party designated below by 3:30 PM on the last day of the Tender Offer Period (Business hours will differ depending on the head office or branch office, so please confirm the business hours and other relevant information of the office you intend to use in advance.).

If you wish to cancel a contract for a tender submitted via Nikko Easy Trade, please follow the on-screen instructions after logging in and complete the cancellation procedure no later than 3:30 PM on the last day of the Tender Offer Period.

Party authorized to receive the Cancellation Document

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

(Other domestic branches of SMBC Nikko Securities Inc.)

The Tender Offeror will not seek payment of damages or penalties from any Tendering Shareholder who canceled their contract. Furthermore, any expenses associated with returning the Tendered Shares will be borne by the Tender Offeror. If a Tendering Shareholder requests the cancellation of the contract, the Tender Offeror will return the Tendered Shares in the manner specified in "D. Method of Return of Shares" in "(8) Settlement Method" above promptly after the completion of the procedure for the request of contract cancellation.

E. Method of Disclosure Where Terms and Conditions of Purchase are Revised

Unless prohibited in Article 27-6, paragraph (1) of the Act and Article 13, paragraph (2) of the Order, the Tender Offeror may revise the conditions of purchase during the Tender Offer Period. If the purchase conditions are intended to be revised, an electronic public notice will be made regarding such revisions, and a notice to that effect will be published in the Nikkei. However, if issuing the public notice by the last day of the Tender Offer Period proves difficult, the announcement will be made via the methods set forth in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter. If the purchase conditions have been revised, the Tendered Shares on or before the day on which such public notice was made will be purchased based on the revised purchase conditions.

F. Method of Disclosure Where an Amended Statement is Submitted

If an amended statement is submitted to the Director-General of the Kanto Local Finance Bureau (excluding cases set forth in the proviso to Article 27-8, paragraph (11) of the Act), the details described in the amended statement relating to the details described in the public notice announcing the commencement of the Tender Offer will be publicly announced immediately via the methods set forth in Article 20 of the Cabinet Office Order. Furthermore, the tender offer explanation will be immediately amended, and the Tendering Shareholders to whom a pre-amendment version of the tender offer explanation has been delivered will be provided with an amended version. However, if the amendment is minor, a document containing the reasons for amendment, the amended items, and the content following the amendment will be prepared, and the document will be delivered to the Tendering Shareholders for the purpose of amending the previously provided explanation.

G. Method of Disclosure of the Results of the Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period via the methods set forth in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order.

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

October 31, 2025 (Friday)

(11) Tender Offer Agent

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

3. Post-Tender Offer Policies and Future Outlook

(1) Post-Tender Offer Policies

For information regarding post-Tender Offer policies, please see "(2) Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy," "(4) Policies Regarding Reorganization After the Tender Offer (Matters Regarding the So-Called Two-Stage Purchase)" and "(5) Prospect of Delisting and Reasons Therefor" in "1. Purpose of the Purchase" above.

(2) Future Outlook

Any facts concerning the impact of the Tender Offer on the Tender Offeror's performance that should be disclosed will be promptly disclosed if they arise.

4. Other Matters

(1) Existence and Details of Agreements Between the Tender Offeror and the Target Company or its Officers

A. Support for the Tender Offer

According to the Target Company Press Release, the Target Company resolved at its Board of Directors meeting held today, 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.

For further details of the decision-making by the Target Company, please see the Target Company Press Release and "(vii) Approval of All Directors of the Target Company Without Conflict of Interest and Opinion of All Corporate Auditors of the Target Company Without

Conflict of Interest That They Have No Objections" in "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Purchase" above.

B. Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy

Please see "(2) Background, Purpose, and Decision-Making Process of the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" in "1. Purpose of the Purchase" above.

C. Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

Please see "(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)" in "B. Background to Calculation" in "(4) Grounds for Calculation of Purchase Price" in "2. Overview of the Tender Offer" above.

(2) Other Information Necessary for the Investors to Decide on Whether to Tender in the Tender Offer

A. Publication of the "Consolidated Financial Results (IFRS) for the Six Months Ended September 30, 2026"

The Target Company published the Target Company Financial Results as of October 30, 2025. For details, please see that publication.

B. Announcement of "Revision of Full-Year Consolidated Earnings Forecasts and Notice of Dividends (Interim Dividends and Increases in dividends) of Retained Earnings and Revision of Year-End Dividend Forecasts (No Dividends)"

At the meeting of the Board of Directors held today, the Target Company resolved to revise its consolidated earnings forecasts for the fiscal year ending March 2026, pay dividends (interim dividends and increases in dividends) for which the reference date is September 30, 2025, and pay no year-end dividend for the fiscal year ending March 2026, on the condition of successful completion of the Tender Offer For details, please see the Announcement published by the Target Company today.

(Reference) Consolidated Earnings Forecast of Sumitomo Electric Industries, Ltd. for the Year Ending March 2026 (from April 1, 2025 to March 31, 2026) (announced on July 13, 2025) and Consolidated Performance for the Previous Fiscal Year

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of Parent Company	Net Income Per Share (Unit: yen)
Consolidated Earnings Forecast for the Fiscal Year	4,600,000	295,000	304,000	205,000	262.85

(Year ending March 2026)					
Consolidated Performance for the Previous Fiscal Year (Year ended March 2025)	4,679,789	320,663	309,496	193,771	248.47

End

[Soliciting Regulations]

This press release is intended to announce the Tender Offer to the general public and is not intended to solicit an offer to sell any securities including share certificates, etc. If a shareholder wishes to tender his or her shares, each shareholder is requested to exercise his/her own judgment after carefully reading the explanatory statement concerning the Tender Offer. This press release is not, and does not constitute any part of, an offer or solicitation of sales, or a solicitation of purchase offer, of securities. This press release (or any part of it) or the fact of its distribution does not provide a basis for any agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

[Forward-Looking Statements]

This press release and its reference materials contain forward-looking statements concerning the outlook for business development based on the views of the Tender Offeror's management in case the Tender Offeror has acquired the Target Company Stock. This information, including the information concerning the future business of the Tender Offeror, other companies, etc., may include forward-looking expressions such as "look for," "expect," "aim at," "schedule," "convinced of," "predict," "intend," "plan," "believe," and "anticipate." Such statements are based on the Tender Offeror's current projections regarding future businesses and the actual results could differ significantly from these forward-looking statements due to many factors. The Tender Offeror, the Target Company, or their affiliates assume no obligation to update or modify these forward-looking statements in order to reflect any events or circumstances in the future.

[Regulations of the United States]

The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act of Japan. However, such procedures and information disclosure standards are not necessarily the same as the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (hereinafter the same), and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards.

Unless otherwise provided, all procedures for the Tender Offer shall be conducted entirely in the Japanese language. Some or all portion of the documents relating to the Tender Offer are or will be prepared in the English language. However, should there be any inconsistency between the document in English and that in Japanese, the Japanese document shall prevail.

This press release and its reference materials contain "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or any other factors, it is possible that actual results may substantially differ from the projections, etc. as expressly or implicitly indicated in any "forward-looking statements." Neither of the Tender Offeror, the Target Company, nor their affiliates gives any assurance that such projections, etc. expressly or implicitly indicated in any "forward-looking statements" will result in being correct. The "forward-looking statements" in this press release and its reference materials have been prepared based on the information held by the Tender Offeror and the Target Company as of the date of this press release and its reference materials, and unless otherwise required by applicable laws and regulations, neither of the Tender Offeror, the Target Company, nor their affiliates is obligated to update or modify such statements in order to reflect any events or circumstances in the future. The financial statements contained in this press release and its reference materials have been prepared based on the Japanese accounting standards or the International Financial Reporting Standards (IFRS), which may substantially differ from the U.S. accounting standards or those of other countries. Moreover, as the Tender Offeror and the Target Company are companies incorporated outside the U.S. and all or some of their directors are non-U.S. residents, it may be difficult to enforce any rights or claims arising under the U.S. federal securities laws. In addition, it may not be possible to commence legal actions against a non-U.S. company or its directors in a non-U.S. court on the grounds of a violation of the U.S. securities laws. Furthermore, a company incorporated outside the U.S. and its subsidiaries and affiliates may not necessarily be compelled to submit to the jurisdiction of U.S. courts.

The Tender Offeror, its affiliates, the financial advisors to the Tender Offeror and the Target Company, and the tender offer agent, including their affiliates, may, within their ordinary course of business and to the extent permitted under the related Japanese financial instruments and exchange laws and regulations and other applicable laws and regulations, purchase or take actions to purchase the Target Company Stock listed on the Prime Market of the Tokyo Stock Exchange for their own account or for their customers' accounts outside the Tender Offer before the commencement of, or during, the Tender Offer Period in accordance with the requirements under Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. The purchase may be conducted at market prices through market transactions or at prices negotiated outside the market. If any information concerning such purchase is disclosed in Japan, disclosure of such information will also be made in the English language on the website (or by another disclosure method) of the party conducting such purchase or its affiliate.

[Other Countries]

In certain countries or regions, the announcement, issue, or distribution of this press release may be restricted by laws or regulations. In such cases, please note and comply with such restrictions. This press release does not constitute any

solicitation of an offer to sell or offer to purchase securities including share certificates concerning the Tender Offer, and is being distributed merely as informational material.