

October 11, 2024

To Whom It May Concern

Company name Samty Holdings Co., Ltd.
(Code No. 187A; listed on the Prime Market of the Tokyo Stock Exchange)
Representative Yasuhiro Ogawa
Contact Head of IR Office, Corporate Planning Department
Izumi Jozuka
Call 03-5224-3139

**Announcement of Support for Song Bidco G.K.'s Tender Offer for the Company's Stock and
Recommendation to Tender the Company's Stock**

Samty Holdings Co., Ltd. (the "Company") hereby announces that it has resolved, at its board of directors' meeting held today, that it will express an opinion in support of a tender offer (the "Tender Offer") for its common shares (the "Company's Stock") to be conducted by Song Bidco G.K. (the "Offeror") and recommend that the Company's shareholders apply for the Tender Offer, as detailed below.

The resolution of the board of directors above was made on the assumption that the Company's Stock are scheduled to be delisted as a result of the Tender Offer and a series of subsequent procedures.

I. Outline of the Offeror

(1)	Name	Song Bidco G.K.
(2)	Address	3-9, Nihonbashi Muromachi 4-chome, Chuo-ku, Tokyo
(3)	Name and title of representative	Colm John O'Connell, Executive Officer
(4)	Description of business	The acquisition and ownership of the Company's Shares, etc.
(5)	Capital stock	JPY 100,000
(6)	Date of incorporation	September 13, 2024
(7)	Major shareholders and shareholding ratio	Song Holdings G.K. 100.0%
(8)	Relationship between the Offeror and the Company	
	Shareholding	Not applicable.

Personnel	Not applicable.
Trading	Not applicable.
Applicability as a related party	Not applicable.

II. Tender Offer Price

JPY 3,300 per share of common stock (the "Tender Offer Price")

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

A. Details of the Opinion

The Company has resolved, at its board of directors' meeting held today, that it will express an opinion in support of the Tender Offer and recommend that its shareholders apply for the Tender Offer, based on the ground and reasons as described in "B. Grounds and Reasons for the Opinion" below.

The above resolution was made in the manner set out in "5. Unanimous approval of all disinterested directors (including audit and supervisory committee members) of the Company" of "F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer."

B. Grounds and Reasons for the Opinion

The descriptions concerning the Offeror described in these "B. Grounds and Reasons for the Opinion" are based on the explanations given by the Offeror.

1. Overview of the Tender Offer

The Offeror is a limited liability company (*goudou gaisha*) established on September 13, 2024 for the principal purpose of holding all of the Company's Stock listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "TSE") (excluding the treasury shares held by the Company and the Non-Tendered Shares (as defined below; hereinafter the same)) through the Tender Offer, and controlling and managing the Company's business activities. As of today, all of the equity interests in the Offeror are held by Song Holdings G.K. (the "Offeror's Parent Company"), all of the equity interests in which are held by RS HCO Investment HK Holdings, Limited ("HK HoldCo"), all of the issued and outstanding shares of which are indirectly held by the fund managed, advised or operated by Hillhouse Investment Management, Ltd. (including its associated companies and other affiliated entities, "Hillhouse"). As of today, none of Hillhouse, HK HoldCo, the Offeror's Parent Company or the Offeror (the "Offeror Group") holds any Company's Stock.

Founded in 2005, Hillhouse is a global alternative investment manager dedicated to partnering with companies and management teams for the long term. With nearly two decades of experience, Hillhouse has grown to be a large alternative asset manager with a range of investment strategies that span public

equities, private equity (across buyout, venture capital and growth strategies), private credit and real assets. Hillhouse aims to establish alignment with sustainable, forward-thinking companies across healthcare, business services, consumer, and industrial sectors, and to become an industry leader. Started in Singapore, the firm has an international team of + 450 professionals with investment and operational expertise from over 18 countries working in offices around the globe. The firm manages capital for global institutions, including non-profit foundations, endowments, and pensions.

In 2020, Hillhouse established a real asset strategy which is called Rava Partners (“Rava Partners”) together with Rava Partners’ senior management as a compliment to Hillhouse’s broader platform. Rava Partners invests in real assets, partnering with business leaders to build the physical infrastructure that underpins Asia-Pacific’s new economy. Rava Partners builds companies in growth sectors of Asia’s real asset economy such as education, logistics / industrial, life sciences / healthcare and digital infrastructure. Since launching its launch, Rava Partners has committed more than US\$3.5 billion, on behalf of funds managed by Rava Partners and Hillhouse in 16 real asset companies across the region.

On October 11, 2024, the HK HoldCo entered into a Capital and Business Alliance Agreement with the Company (the "CBA Agreement"; for a summary of the CBA Agreement, please refer to “1. CBA Agreement” under "IV. Matters Relating to Important Agreements Concerning the Tender Offer between the Offeror and Shareholders of the Company" below), and decided to (i) implement the Tender Offer for the Company’s Stock, and (ii) if the Offeror fails to acquire all of the Company's Stock (excluding the treasury shares held by the Company and the Non-Tendered Shares) in the Tender Offer, implement the Tender Offer as part of a series of transactions to take the Company's Stock private (the "Transaction") by carrying out the Squeeze-Out Procedures (as defined below), in each case pursuant to the CBA Agreement.

In order to implement the Tender Offer, the Offeror entered into tender agreements with Shigeru Moriyama ("Mr. Moriyama"), the third largest shareholder of the Company (number of shares held: 1,376,572 shares; Shareholding Ratio (Note 1): 2.68%), pursuant to which Mr. Moriyama agreed to tender all of its Company's Stock in the Tender Offer (the "Tender Support Agreement (Mr. Moriyama)"), with Tsuyoshi Building Co. Ltd. ("Tsuyoshi Building"), the sixth largest shareholder (number of shares held: 1,220,000 shares; Shareholding Ratio: 2.38%) pursuant to which Tsuyoshi Building agreed to tender all of its Company's Stock in the Tender Offer (the "Tender Support Agreement (Tsuyoshi Building)"), and with Kazushi Eguchi ("Mr. Eguchi"), the ninth largest shareholder (number of shares held: 504,524 shares; Shareholding Ratio: 0.98%) pursuant to which Mr. Eguchi agreed to tender all of its Company's Stock in the Tender Offer (the "Tender Support Agreement (Mr. Eguchi)"), (Mr. Moriyama, Tsuyoshi Building, and Mr. Eguchi are hereinafter collectively referred to as the "Prospective Tendering Shareholders;" and the Tender Support Agreement (Mr. Moriyama), the Tender

Support Agreement (Tsuyoshi Building), and the Tender Support Agreement (Mr. Eguchi) are hereinafter collectively referred to as the "Tender Support Agreement") on October 11, 2024, and pursuant to the Tender Support Agreement, each of the Prospective Tendering Shareholders agreed to tender all of its Company's Stock (total number of shares held: 3,101,096 shares; total Shareholding Ratio: 6.04%) (collectively, the "Shares to be Tendered") in the Tender Offer.

(Note 1) "Shareholding Ratio" refers to the ratio (rounded to two decimal places; hereinafter the same applies in the calculation of the Shareholding Ratio) to the number of shares (51,309,011 shares) obtained by deducting the number of treasury shares held by the Company as of August 31, 2024 (50 shares) from the total number of issued and outstanding shares as of the same date (51,309,061 shares), both as stated in the "Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 (Based on Japanese GAAP)" published by the Company on October 11, 2024 (the "Company's Summary Securities Report").

On October 11, 2024, the Offeror also entered into a Non-Tender Cooperation Agreement (the "Non-Tender Agreement") with Daiwa Securities Group Inc. ("Daiwa Securities Group"), the largest shareholder of the Company (number of shares held: 17,828,612 shares; Shareholding Ratio: 34.75%), and Daiwa PI Partners Co. Ltd., the 5th largest shareholder of the Company ("Daiwa PI") (number of shares held: 1,250,000 shares; Shareholding Ratio: 2.44%) (Daiwa Securities Group and Daiwa PI being collectively the "Non-Tendering Shareholders"), in which each of the Non-Tendering Shareholders agreed that it would not tender any of its Company's Stock (total number of shares held: 19,078,612 shares; total Shareholding Ratio: 37.18%) (collectively, the "Non-Tendered Shares") in the Tender Offer, and that a Triangular Merger (as defined below) would be effected between the Offeror and the Company after the Share Consolidation (as defined in "E. Policy of Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)" below; hereinafter the same) becomes effective.

In addition, after the Stock Consolidation becomes effective, the Offeror will enter into a shareholders' agreement with the Daiwa Securities Group (the "Shareholders' Agreement") describing the operation of the Company and the treatment of the Company's shares following the Transaction.

For details of the Tender Support Agreement, the Non-Tender Agreement, and the Shareholders' Agreement, please refer to "2. Tender Support Agreement (Mr. Moriyama)," "3. Tender Support Agreement (Tsuyoshi Building)," "4. Tender Support Agreement (Mr. Eguchi)," "5. Non-Tender Agreement" and "6. Shareholders' Agreement (to be concluded)" under "IV. Matters Relating to Important Agreements Concerning the Tender Offer between the Offeror and Shareholders of the Company" below.

In the Tender Offer, the minimum number of tendered shares to be purchased has been set at 15,127,400 shares (Shareholding Ratio: 29.48%), and if the total number of the Shares, Etc. tendered in

the Tender Offer (the "Tendered Shares") is less than the minimum number of tendered shares to be purchased (15,127,400 shares), the Offeror will not purchase any of the Tendered Shares. Meanwhile, with the intention of acquiring all of the Company's Stock (excluding the treasury shares held by the Company and the Non-Tendered Shares) in the Tender Offer and taking the Company's Stock private, the Offeror has not set the maximum number of tendered shares to be purchased in the Tender Offer, and if the total number of the Tendered Shares is no less than the minimum number of tendered shares to be purchased (15,127,400 shares), the Offeror will purchase all of the Tendered Shares. The minimum number of tendered shares to be purchased (15,127,400 shares) has been set according to the following formula:

$$\begin{aligned}
 & \text{Minimum number of tendered shares to be purchased (15,127,400 shares)} \\
 & = \left(\underbrace{A \times \frac{2}{3}}_{342,060 \text{ units (rounded to the nearest whole number)}} - B \right) \times 100 \text{ shares (i.e. number of unit shares (tangen kabushiki))} \\
 & \quad \underbrace{\hspace{10em}}_{151,274 \text{ units}}
 \end{aligned}$$

Where:

A= Number of voting rights (513,090 units) pertaining to the number of shares (51,309,011 shares) obtained by deducting the number of treasury shares held by the Company as of August 31, 2024 (50 shares) from the total number of issued and outstanding shares of the Company as of the same date, 2024 (51,309,061 shares), both as stated in the Company's Summary Securities Report

B= Number of voting rights (190,786 units) pertaining to the number of Non-Tendered Shares (19,078,612 shares)

Such minimum number of tendered shares to be purchased has been set for the following reasons: (A) if the Offeror fails to acquire all shares of the Company's Stock (excluding the treasury shares held by the Company and the Non-Tendered Shares) in the course of the Tender Offer, the Offeror would request the Company to conduct a series of procedures to make the Offeror and the Non-Tendering Shareholders the sole shareholders of the Company and to have the Company's Stock go private (the "Squeeze-Out Procedures"), as described in "E. Policy of Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)" below, (B) the Share Consolidation as the Squeeze-Out Procedures requires a special resolution of the shareholders' meeting, as provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"), and

therefore, (C) in order to ensure the implementation of such procedures, it is necessary that the sum of the number of voting rights in the Company held by the Offeror and the number of voting rights in the Company pertaining to the Non-Tendered Shares after the completion of the Tender Offer exceeds two-thirds (2/3) of the number of voting rights held by all shareholders of the Company.

The Offeror intends to fund the settlement of the Tender Offer by receiving a provision of up to JPY 110 billion in funds from the Offeror's Parent Company (the "Parent's Contribution") upon consummation of the Tender Offer and, subject to the consummation of the Tender Offer, intends to receive the Parent's Contribution no later than the business day immediately prior to the settlement commencement date of the Tender Offer.

The Transaction consists of (1) the Tender Offer, (2) if the Tender Offer is consummated and the Offeror could not acquire all of the Company's Stock (excluding the treasury shares held by the Company and the Non-Tendered Shares), limiting the Company's shareholders to the Offeror and the Daiwa Securities Group (Note 2) through the Share Consolidation conducted by the Company, and (3) subject to the effectuation of the Share Consolidation, an absorption-type merger in which the Offeror is the company surviving the absorption-type merger and the Company is the company absorbed in the absorption-type merger (the Non-Tendering Shareholders, who are the Company's shareholders, will acquire equity interests in the Offeror's Parent Company as consideration for such absorption-type merger; such absorption-type merger being the "Triangular Merger").

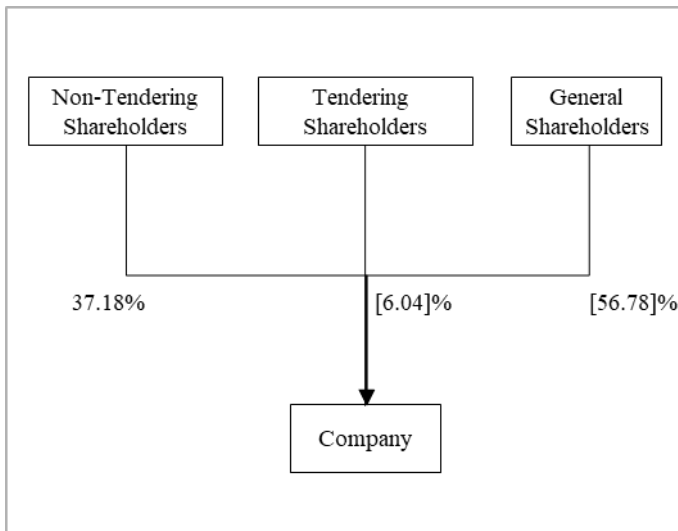
(Note 2) After the consummation of the Tender Offer and prior to the implementation of the Share Consolidation, Daiwa PI plans to transfer all of the Company's Stock held by Daiwa PI (number of shares held: 1,250,000 shares, Shareholding Ratio: 2.44%) to Daiwa Securities Group, its wholly-owning parent company. As a result, the Daiwa Securities Group will own all of the Non-Tendered Shares (Total number of shares held: 19,078,612 shares, total Shareholding Ratio: 37.18%) at the time of the implementation of the Share Consolidation.

To maintain a capital relationship with the Company and maximize the Company's corporate value, the Daiwa Securities Group will continue to be involved in the operation of the Company after the consummation of the Tender Offer and will continue to own the equity of the Offeror's Parent Company after the completion of the Transaction. The Triangular Merger will be implemented for the purpose of the Daiwa Securities Group acquiring equity interests in the Offeror's Parent Company. In determining the merger ratio of the Triangular Merger, in order to ensure the principle of equality of the tender offer price (Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) Article 27-2, Paragraph 3 of the Act), the Company's Stock has been valued at a price not higher than the purchase price in the Tender Offer (the "Tender Offer Price"), and as a result, the ratio of the Daiwa Securities Group's equity interests in the Offeror's Parent Company after the Triangular Merger will be set at a

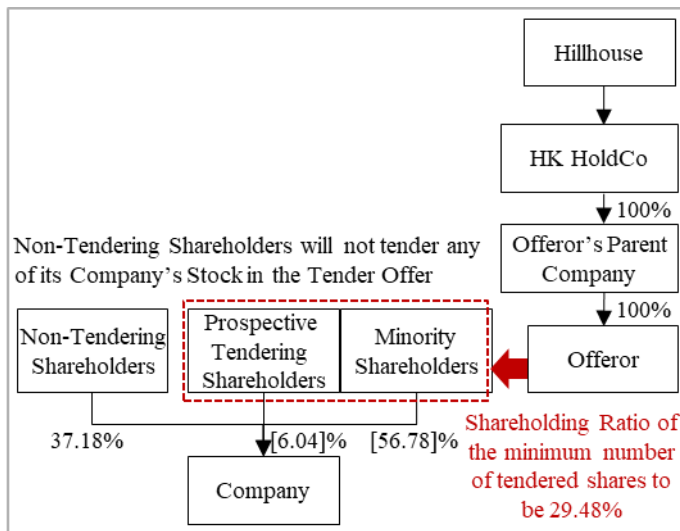
ratio not exceeding their Shareholding Ratio in the Company.

The following diagrams show a summarized structure of the Transaction.

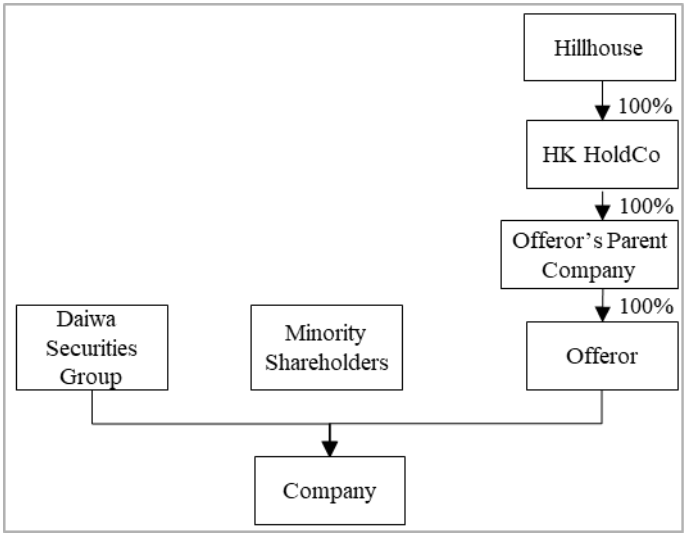
I. Before the Tender Offer



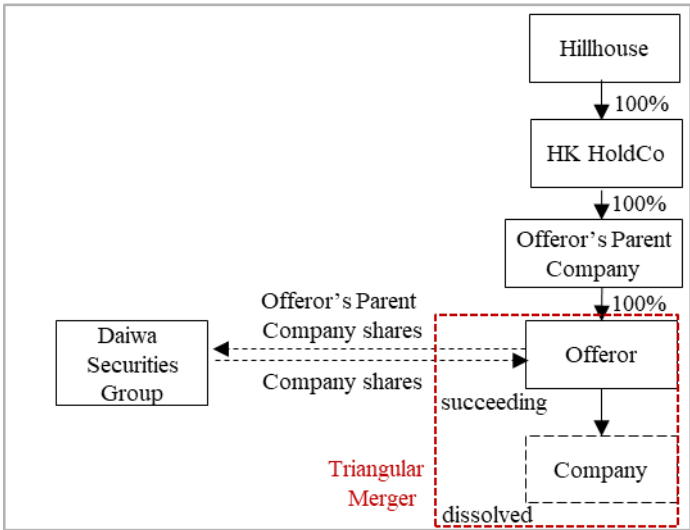
II. Implementing Tender Offer



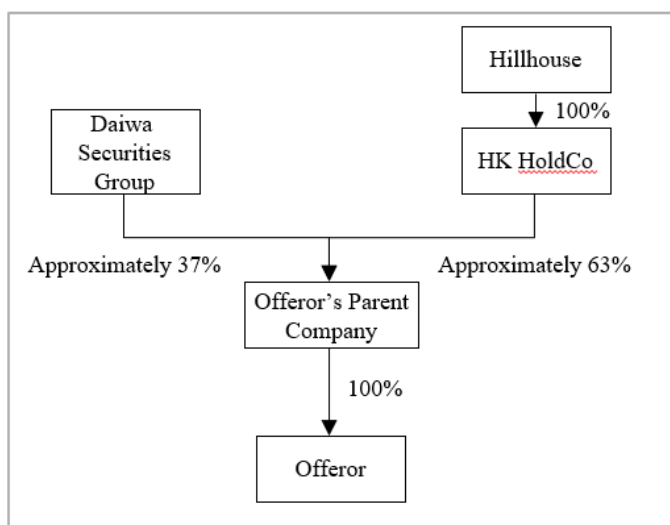
III. Post Squeeze-Out Procedures



IV. Triangular Merger



V. Post Transaction



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

a. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer

The Company was established in June 2024 through a sole-share transfer by Samty Co., Ltd. (“Samty”), and is listed on the Prime Market of the TSE. Samty, a wholly owned subsidiary of the Company, was established in December 1982 as Samty Development Co., Ltd. with its principal business being the purpose of buying, selling, leasing and managing real estate, and subsequently changed its company name to Samty Co., Ltd. in June 2005. Samty was listed on the Nippon New Market “Hercules” of the Osaka Securities Exchange Co., Ltd. (the “OSE”) in July 2007, and was listed on the JASDAQ Standard Market of the TSE following the integration of the cash equity markets of the TSE and the OSE in July 2013. Subsequently, Samty was listed on the First Section of the TSE in October 2015, and was listed on the Prime Market of the TSE due to a market restructuring by the TSE in April 2022.

The Company Group (meaning the corporate group consisting of the Company, 32 consolidated subsidiaries, and 2 equity method affiliates (as of today), the same applies hereinafter) has the following business segments: (i) the “real asset development business” engaging in planning, developing and selling its own brand “S-RESIDENCE” series and other properties; (ii) the “real asset solution business” engaging in acquiring, revitalizing, and selling income-generating properties; (iii) the “overseas business” engaging in investing and selling residential properties overseas; (iv) the “real asset leasing business” engaging in leasing condominiums, office buildings, commercial facilities, etc.; (iv) the “hotel leasing and management business” engaging in leasing and managing hotels; and (v) the “real asset management business” engaging in managing condominiums, office buildings, commercial facilities, etc. Of the consolidated subsidiaries, 22 are special purpose

companies or general incorporated associations established or invested in by the Company Group in connection with a transaction scheme to acquire, hold and develop real assets and its trust beneficiary rights in the process of operating these businesses.

The Company Group has been engaged in the supply, management and other activities relating to real estate throughout Japan as a full-service real estate company for over 40 years since the establishment of Samty in December 1982. The Company Group has a management philosophy of “ethics, passion, challenge, and the realization of dreams”, and aims to realize the dreams of not only the Company Group itself, but also its customers, partners, and the people who work therefor, as well as everyone involved in its business, through the development of enriched urban environments. In order to realize the management philosophy and take on challenges going beyond the traditional concept of “real estate,” the Company has adopted the slogan, “Go beyond real estate” for the Company Group. Specifically, as a “full-service real estate company” that handles a series of businesses related to real estate, the Company Group has expanded its business from the planning, development and sales of income-generating real estate such as rental condominiums, hotels and offices, in which the Company Group has traditionally been engaged, to include the leasing, management and operation of properties owned by the Company Group, the enhancement of the value of properties acquired by the Company Group, and asset management business such as the management of REITs. Further, the Company Group has expanded its business to include the operation of theme parks, such as NESTA RESORT KOBE in Miki City, Hyogo Prefecture, and, with an eye on the future transition to an even more globalized society, the Company is participating in residential property sales projects such as THE SAKURA in Hanoi, Vietnam, and THE OPUS ONE in Ho Chi Minh City, Vietnam, as well as a residential property sales project in Sydney, Australia, aiming to acquire new profit-earning opportunities.

As stated above, the Company Group is expanding its business other than the planning, development and sales of income-generating real estate, but the situation has not changed where the majority of the Company Group's revenue comes from the business of selling income-generating real estate planned and developed by the Company to third parties. In this business, since the process from real estate planning and development to sales generally takes about three to five years, borrowings are needed well before the real estate starts to generate revenue. In order to grow this business, it is necessary to utilize external funds procured through loans from financial institutions in addition to its own funding. However, the Company's net D/E ratio ($\frac{\text{(interest-bearing debt)} - \text{(cash and deposits)}}{\text{(equity capital)}}$) calculated based on the Company's consolidated balance sheet as of the end of the second quarter of the fiscal year ending December 2024 is 3.06 and the balance of interest-bearing debt was JPY 348.8 billion, up from the net D/E ratio of 2.09 and the balance of interest-bearing debt of JPY 265.4 billion at the end of the fiscal year ending November 2023. Accordingly, based on the Company's discussions with financial institutions to date, the

Company Group's capability to procure additional external funds is limited. Although the Company Group is able to raise funds to maintain its current scale of operations, due to factors such as rising interest rates in Japan, it will not be easy to raise additional funds on the same terms as before in order to further expand the Company Group's business in the future.

Therefore, the Company recognizes the need for a fundamental shift in its business model to continue expanding and realizing the Company's management philosophy. Specifically, there is an urgent need to transition from a profit structure primarily based on capital gains where income is generated through the sale of income-generating properties planned and developed by the Company to third parties, aiming for a one-time profit from the difference between the sale price and the purchase price to one focused on generating income gains. In this new business model, while making use of the Company Group's high capabilities in relation to the planning and development of income-generating real estate, instead of selling income-generating properties planned and developed by the Company to third parties, the Company retains ownership, engages in leasing and management operations of such properties, or transfers these properties to REITs or real estate funds managed by the Company Group with the aim of continuously receiving fees for management and operation from these real estate funds and similar entities. The Company Group believes that this transition in profit structure will enable it to continue to expand its business without being dependent on its capability to procure external funds.

Furthermore, in January 2021, the Company announced the medium-term management plan "Samty Reinforcement Plan (After COVID-19 Version)" under the name of Samty, and set its goal of shifting from a profit structure relying on capital gains to one includes expanded income gains from rent income generated by income-generating real estate planned and developed by the Company. In the same plan, the Company announced its numerical targets for the fiscal year ending November 2023, targeting sales of JPY 170 billion (of which rent income, etc. is JPY 35 billion) and operating profit of JPY 20 billion or more, and for the fiscal year ending November 2025, targeting sales of JPY 220 billion (of which rent income, etc. is JPY 45 billion) and operating profit of JPY 35 billion or more. In the fiscal year ending November 2023, it reached sales of JPY 198.6 billion (of which rent income, etc. of JPY 25.8 billion) and operating income of JPY 19.5 billion. While it has largely achieved the sales and operating income targets in its medium-term management plan for the fiscal year ending November 2023, it has not achieved the sales target for rent income, etc. The Company has not achieved the transition to a revenue structure with expanded income gain as targeted in the medium-term management plan.

On the other hand, the Company recognizes that, regarding the business environment surrounding the Company, despite termination of the negative interest rate policy in March 2024, another rate hike in July for the first time in 17 years, and anticipated multiple uncertainties such as changes in the financing environment based on factors for further rate hikes in the future and the sustainability

of the strong US economy, both Japanese and foreign investors are still willing to invest particularly in the rental housing market and the hotel market among the Japanese real estate development and trading market, leading to the ongoing severe acquisition environment. The Company believes that whereas the uncertain market environment and the business environment which is drastically changing will increase the Company's business risks, the Company will need to drastically change its business structure and reform its capital structure in order to fundamentally transform its business model, the and is required to make business decisions from a medium- to long-term perspective in order to further maximize its corporate value, which decisions may include initiatives that are difficult to implement for a listed company that is always required to report quarterly results. The Company also considered that if the Company implements various initiatives and actions as a listed company, the possibility of a discrepancy between the profits arising from the Company's optimal business cycle in the future and the timing of realizing the returns expected by many of the Company's shareholders would be an obstacle.

Against such a backdrop, the Company made an approach in mid-May 2023 to a third party that has had a business relationship with the Company for some time (the "Introductory Partner") about a potential investment in the Company to fund its further growth in the rental housing market and the hospitality real asset market.

In considering the investment in the Company, the Introductory Partner determined Hillhouse to be an excellent potential partner for consideration of the investment in the Company, with the aim to further enhance the value of the Transaction, taking into account the Hillhouse's expertise in the real asset domain and its platform-focused investment mandate as well as its funding capability and investment track record as an investment company, on the ground that unlike other investment funds that specialize in selling or restructuring the business they invest, has investment policies to drive further growth of its investment targets. The Introductory Partner has worked with Hillhouse's senior members and established an understanding of each other's corporate culture and a trust relationship. In early August 2023, Introductory Partner approached Hillhouse about considering the Transaction. On the other hand, Hillhouse believed that the Japanese rental housing market and the hotel market were expected to grow further, and that providing its platform and know-how based on its rich investment experience in real assets can make an opportunity for the Company to enhance its corporate value through transformation of its business model in the future. Hence, Hillhouse, in mid-October 2023, decided to ctively assess the investment in the Company with the Introductory Partner.

Thereafter, from April 2024 to May 2024, Hillhouse and the Introductory Partner held multiple discussions with the Company's management team and the Company reached the conclusion that it could achieve further growth and maximize its corporate value over the medium to long term by transforming its business model through the expansion of its fund management business by using

third-party capital. The Company also considered that the expansion of the fund management business will enable the Company to develop real asset off-balance sheet by utilizing external capital, which development was previously conducted by utilizing the balance sheet of the Company, thereby improving capital efficiency, reducing the leverage on the balance sheet, and dramatically enhancing the development capacity. In addition, the Company concluded that the transformation of the business model will require formation of funds and solicitation of investors to expand the fund management business, which can be achieved by providing the Company with Hillhouse's and the Introductory Partner global relations with investors and know-how in the fund management business, leading to the conclusion that Hillhouse and possibly the Introductory Partner are the best partners for the transformation of its business model.

As a result, the Company has concluded that taking the Company private is the best way to overcome these challenges to the business model transformation and contribute to improving the Company's corporate value through the initiatives that are difficult to implement if its listing is maintained. Specifically, Hillhouse and the Introductory Partner intended to further accelerate the growth strategy through the following various initiatives.

(i) Formation of real asset development funds and core funds through the use of third-party capital

The Company has been using its own balance sheet for real asset development. After being taken private by Hillhouse and the Introductory Partner, the Company intends to form development funds by utilizing third-party capital and to acquire and develop land through such development funds. Rental housing developed and owned by the Company is one of the assets most preferred by investors in the Asia-Pacific region, and it is believed that the use of development funds will enable the Company to undertake development that uses funds from investors to which the Company itself has not had access before, thereby further strengthening its development function. Also, it is believed that the Company will be able to improve its capital efficiency by forming core funds that utilize third-party capital for the purpose of semi-permanently owning and managing properties developed by the Company either on its own balance sheet or using development funds and thereby reducing the real asset holdings on the Company's balance sheet. In forming these funds, relationships with investors who can provide funds will be important, and Hillhouse and the Introductory Partner plans to solicit investors with whom it has close relationships at the time of the formation of the funds by making full use of the global network it has established.

(ii) Expansion of stable earnings through the expansion of fund management business

In the Company's current business model, the real asset development business accounts for most of the profits. However, it is believed that by forming development funds and core funds and

undertaking asset management services, the Company will be able to increase the assets under management at a faster pace than before and boost the earnings from the asset management services, thereby establishing a more stable business model.

(iii) Promotion of M&As as non-continuous growth opportunity

It is believed that Hillhouse and the Introductory Partner may be able to contribute to further expansion of the Company's business and further growth of its earnings by making full use of the global network of Hillhouse and the Introductory Partner to provide investment opportunities and M&A deals in Japan and overseas.

In parallel with the discussions with the Company, Hillhouse and the Introductory Partner also contacted Daiwa Securities Group, the largest shareholder of the Company, in early April 2024 to check the intentions of Daiwa Securities Group regarding the Tender Offer, and shared the concept of the Company's business model transformation that the Consortium was considering. Since then, Hillhouse and the Introductory Partner and Daiwa Securities Group held multiple discussions and reached the conclusion in late May 2024 that keeping the capital relationship between the Company and Daiwa Securities Group, which has extensive networks with Japanese companies and individuals, even after the Company goes private would help achieve the transformation of the Company's business model more effectively and contribute to maximizing the corporate value of the Company. After that, Hillhouse and the Introductory Partner had continued to negotiate with the Company and Daiwa Securities Group on a continuous basis the business policy after the Transaction and details of the business alliance. As a result of the negotiation, the Non-Tender Agreement was concluded with the Offeror and Daiwa Securities Group on October 11, 2024. Please see "5. Non-Tender Agreement" under "IV. Matters Relating to Important Agreements Concerning the Tender Offer between the Offeror and shareholders of the Company" below for the overview of the Non-Tender Agreement.

Hillhouse and the Introductory Partner has appointed in mid-June 2024 Latham & Watkins LLP and Anderson Mori & Tomotsuneas legal advisor independent of Hillhouse, the Introductory Partner, the Non-Tendering Shareholders, and the Company, for discussions with the Company. Hillhouse and the Introductory Partner and the Company entered into a non-binding term sheet (the "Non-Binding Term Sheet") on June 11, 2024 based on the above discussions between them to commence specific study regarding the Transaction. After entering into of the Non-Binding Term Sheet, Hillhouse and the Introductory Partner commenced specific study for the Transaction. For the discussions with the Company, Hillhouse and the Introductory Partner appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as a financial advisor, independent of Hillhouse, the Introductory

Partner, the Non-Tendering Shareholders, and the Company, in late-June 2024. As part of the study of the Transaction, Hillhouse and the Introductory Partner carried out due diligence on the Company over the period from early July 2024 to early September 2024. Hillhouse appointed Deutsche Bank AG, Singapore Branch and JPMorgan Securities Japan Co., Ltd. as co-financial advisors independent of Hillhouse, the Non-Tendering Shareholders, and the Company, between late September 2024 to early October 2024.

Taking into account the results of the due diligence to the Company, the Offeror made a written initial offer (the "Initial Offer") to the Company on September 23, 2024, on the assumption that no year-end dividend will be made for the fiscal year ending December 2024 and discontinue the shareholder benefit program from the fiscal year ending December 2024, which set the Tender Offer Price at JPY 2,840 per share of the Company's Stock (which reflected a premium of 5.15% (rounded up to 2 decimal places; hereinafter the same in calculation of premiums) over the closing price (JPY 2,701) of the Company's Stock on the Prime Market of the TSE the business day preceding the date of the offer, 8.19% over the simple average of the closing prices for the 1 month until such date (JPY 2,625) (rounded up to the nearest whole yen; hereinafter the same in calculation of simple average of closing prices), 9.74% over the simple average of the closing prices for the 3 months until such date (JPY 2,588), and 8.48% over the simple average of the closing prices for the 6 months (Note 3) until such date (JPY 2,618), the "First Offer Price"). However, the Offeror received a request from the Company and the Special Committee (as defined in "3. Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor" below; hereinafter the same) on September 24, 2024 to consider increasing the Tender Offer Price in order to protect the interests of the Company's minority shareholders.

(Note3) The Company was established on June 3, 2024 through a sole-share transfer by Samty, and the Company's Stock was listed on the Prime Market of the TSE on the same date. In calculating the simple average of the closing prices for the 6 months, the share price of the Company's Stock for the period prior to its listing was based on the share price of Samty, on the Prime Market of the TSE. The same applies hereafter.

In response to such request from the Company, the Offeror repropose to the Company the Tender Offer Price of JPY 3,000 (10.13% of the closing price of the Company's Stock on the Prime Market of the TSE of JPY 2,724 on the previous business day, 13.85% of the simple average closing price for the last 1 month up to that day of JPY 2,635, 15.38% of the simple average closing price for the last 3 months up to that day of JPY 2,600, and 14.50% of the simple average closing price for the last 6 months up to that day of JPY 2,620 premium; the "Second Offer Price") on September 26, 2024.

However, the Offeror received a request from the Company and the Special Committee on September 27, 2024 to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company.

In response to such request from the Company, the Offeror repropose to the Company the Tender Offer Price of JPY 3,100 (8.66% of the closing price of the Company's Stock on the Prime Market of the TSE of JPY 2,853 on the previous business day, 16.76% of the simple average closing price for the last 1 month up to that day of JPY 2,655, 18.73% of the simple average closing price for the last 3 months up to that day of JPY 2,611, and 18.19% of the simple average closing price for the last 6 months up to that day of JPY 2,623 premium; the "Third Offer Price")) on September 30, 2024. However, the Offeror received a request from the Company and the Special Committee on October 1, 2024 to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company.

In response to such request from the Company, the Offeror repropose to the Company the Tender Offer Price of JPY 3,175 (12.15% of the closing price of the Company's Stock on the Prime Market of the TSE of JPY 2,831 on the previous business day, 18.74% of the simple average closing price for the last 1 month up to that day of JPY 2,674, 21.14% of the simple average closing price for the last 3 months up to that day of JPY 2,621, and 21.09% of the simple average closing price for the last 6 months up to that day of JPY 2,622 premium; the "Forth Offer Price") on October 2, 2024. However, the Offeror received a request from the Company and the Special Committee on October 3, 2024 to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company.

In response to such request from the Company, the Offeror repropose to the Company the Tender Offer Price of JPY 3,280 (15.01% of the closing price of the Company's Stock on the Prime Market of the TSE of JPY 2,852 on the previous business day, 21.26% of the simple average closing price for the last 1 month up to that day of JPY 2,705, 24.43% of the simple average closing price for the last 3 months up to that day of JPY 2,636, and 25.05% of the simple average closing price for the last 6 months up to that day of JPY 2,623 premium) on October 7, 2024. However, Offeror received a request from the Company and the Special Committee on October 8, 2024 to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company.

In response to such request from the Company, the Offeror repropose, as a final proposal, to the Company the Tender Offer Price of JPY 3,300 (17.15% of the closing price of the Company's Stock on the Prime Market of the TSE of JPY 2,817 on the previous business day, 21.10% of the simple average closing price for the last 1 month up to that day of JPY 2,725, 24.76% of the simple average

closing price for the last 3 months up to that day of JPY 2,645, and 25.76% of the simple average closing price for the last 6 months up to that day of JPY 2,623 premium) on October 9, 2024. Consequently, the Offeror received a response from the Company that it agrees to the Tender Offer Price in the final proposal on October 10, 2024.

During these price negotiations, in early October, 2024, Hillhouse was informed by the Introductory Partner that, after internal discussions, they would not be proceeding with the Transaction. Hillhouse informed the Company and Daiwa Securities Group of the withdrawal of the Introductory Partner. It was confirmed between Hillhouse, the Company, and Daiwa Securities Group that the impact of the withdrawal of the Introductory Partner would be limited and that they were all fully supportive of Hillhouse proceeding with the Transaction.

As described above, the Company and the Offeror Group agreed that the Transaction would be an effective way to enhance the corporate value and the stock price of the Company and the Offeror Group, and accordingly, the Offeror decided to carry out the Transaction and entered into the CBA Agreement with the Company on October 11, 2024.

b. Post-Tender Offer Managerial Policy

With regard to management policies after the Tender Offer is completed, the Hillhouse and Daiwa Securities Group are considering implementing measures as described in "a. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer" above respecting the autonomy to thoughtfully reform the Company's business model and revenue structure to enhance the Company's corporate value.

HK HoldCo will enter into the Capital and Business Alliance Agreement with the Company on October 11, 2024, and the Offeror plans to enter into the Shareholders' Agreement with Daiwa Securities Group after the consummation of the Share Consolidation. Under the Capital and Business Alliance Agreement and the Shareholders' Agreement, Hillhouse, the Company and Daiwa Securities Group have agreed that, with respect to the composition of the Company's board of directors after the completion of the Transaction, the total number of directors shall be a up to 11, the chief executive officer shall be a director and have the right to appoint up to 2 other management as directors, the Offeror shall have the right to appoint up to 6 directors, and the Daiwa Securities Group shall have the right to appoint up to 2 directors. Hillhouse also intends to (a) use its best endeavors to the extent commercially reasonable to retain the Company's employees for certain period of time after the Squeeze Out with the employment terms and conditions not substantially lower in aggregate than those as of October 11, 2024 and (b) provide the Company's executives and employees with incentive plans equivalent to or better than the existing incentive plans. For an overview of the Capital and

Business Alliance Agreement and the Shareholders' Agreement, please refer to "1. CBA Agreement" and "6. Shareholders' Agreement (to be concluded)" in "IV. Matters Relating to Important Agreements Concerning the Tender Offer between the Offeror and Shareholders of the Company" below, respectively.

3. Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor

According to the Company's Press Release, as stated in "a. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer" under "2. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy" above, the Company received the Non-Binding Term Sheet from the Offeror Group on June 11, 2024. As a result of careful consideration of the proposal by the Company, on June 12, 2024, the Company informed the Offeror Group that it would proceed with consultations regarding the implementation of the Transaction, and began specific consideration and consultations regarding the Transaction. The Company has appointed TMI Associates as its legal advisor independent of the Company Group, the Offeror Group and the Non-Tendering Shareholders, and Nomura Securities Co., Ltd. ("Nomura Securities") as its third-party valuator and financial advisor. Based on the legal advice received from TMI Associates regarding the decision-making process and methods for the Transaction and other points to note regarding the decision-making for the Transaction, the Company has begun to establish an internal deliberation system for the purpose of examining, negotiating and making decision regarding the Transaction from the perspective of enhancing the Company's corporate value and securing the interests of the Company's minority shareholders, in the position independent of the Offeror Group and the Non-Tendering Shareholders.

Furthermore, although the Company is not a consolidated subsidiary of the Offeror and the Tender Offer does not constitute a tender offer by a controlling shareholder, in light of the advice of TMI Associates, on June 12, 2024, the Company established a special committee independent from each of the Company Group, the Offeror Group and the Non-Tendering Shareholders (the "Special Committee") consisting of five independent outside directors of the Company: Mr. Shoichi Sampei (outside director of the Company, certified public accountant, Akebono Audit Corporation, Representative Member), Ms. Junko Kawai (outside director of the Company, attorney at law, Umegae-Chuo Legal Profession Corporation, Partner), Mr. Mitsusuke Koi (outside director of the Company), Tetsuo Kodera (outside director of the Company, attorney at law, Kodera Law Firm), and Naotaka Murata (outside director of the Company, certified public accountant, Daichi & Co, Representative Member.) in order to carefully make decisions on the Transaction and to eliminate the risk of arbitrariness and conflicts of interest in the decision-making process of the Company's board of directors and to from the perspective of ensuring fairness (for the background to the establishment of the Special

Committee, the details of its deliberations and its decision, please refer to “3 Establishment of Independent Special Committee at the Company and Procurement of Written Report” under “F Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below).

As described in “3 Establishment of Independent Special Committee at the Company and Procurement of Written Report” under “F Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below, the Special Committee confirmed that there were no issues with the independence or expertise of the Company's financial advisor and third-party valuator, Nomura Securities, and the Company's legal advisor, TMI Associates, and approved their appointments.

In addition, on June 12, 2024, the Special Committee appointed Deloitte Tohmatsu Financial Advisory LLC (“Deloitte Tohmatsu Financial Advisory”) as its independent third-party valuator.

After establishing the above structure, the Company held multiple discussions and negotiations with the Offeror regarding the pros and cons of the Transaction and the appropriateness of the terms and conditions of the Transaction, based on the negotiation policy confirmed in advance by the Special Committee and opinions, instructions, and requests, etc. as well as advice from Nomura Securities and TMI Associates which it received in each material stage.

The Company received the First Offer Price on September 23, 2024 on the assumption that no year-end dividend will be made for the fiscal year ending December 2024 and discontinue the shareholder benefit program from the fiscal year ending December. However, the Company and the Special Committee requested, on September 24, 2024, to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company. After that, the Company received the Second Offer Price on September 26, 2024. However, the Company and the Special Committee requested, on September 27, 2024, to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company. After that, the Company received the Third Offer Price on September 30, 2024. However, the Company and the Special Committee requested, on October 1, 2024, to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company. After that, the Company received the Forth Offer Price on October 2, 2024. However, the Company and the Special Committee requested, on October 3, 2024, to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company. After that, the Company received the Fifth Offer Price on October 7, 2024. However, the Company and the Special Committee requested, on October 8, 2024, to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company. After that, the Company received the Sixth Offer Price on October 9, 2024. However, the Company and the Special

Committee requested, on October 10, 2024, to consider increasing the Tender Offer Price again from the viewpoint of protecting the interests of the minority shareholders of the Company.

Based on the above, at the Company's board of directors meeting held today, based on the legal advice from TMI Associates, advice from Nomura Securities and Deloitte Tohmatsu Financial Advisory, the share valuation report on the share value of the Company's Stock obtained from Nomura Securities on October 10, 2024 (the "Share Valuation Report (Nomura Securities)") and the share valuation report on the share value of the Company's Stock obtained from Deloitte Tohmatsu Financial Advisory on October 10, 2024 (the "Share Valuation Report (Deloitte Tohmatsu Financial Advisory)"), while respecting the content of the opinion of the Special Committee as indicated in the written report (the "Report") received from the Special Committee on October 10, 2024 to the fullest extent possible, the Company carefully deliberated and discussed whether the Transactions, including the Tender Offer, would contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Transactions, including the Tender Offer Price, were appropriate.

As a result, the Company has concluded that the Transaction will allow it to increase its corporate value, as follows. In early October 2024, the Company received notification from Hillhouse that the Introductory Partner would be withdrawing from the Transaction. In response, the Company confirmed with Hillhouse whether there would be any impact on the various initiatives aimed at enhancing the corporate value of the Company Group, and if so, to what extent. Taking into account (a) the Introduced Partner's planned investment in the Offeror was to be limited in proportion, and (b) the Company has received an explanation that Hillhouse has a strong track record of leading the transition of its portfolio companies from developers to fund management business models, along with its expertise in fund management and relationships with global investors, the Company believes that the originally planned measures to enhance the corporate value of the Company Group can still be achieved without the support of the Introductory Partner.

The specific synergies that the Company expects to realize through the Transaction are as follows.

(i) Further enhancement of development capabilities and improvement of capital efficiency through the formation of real estate development funds and core funds utilizing third-party capital

The Company has been using its own balance sheet for its real estate development projects. After taking the Company private, the Hillhouse intends to form development funds by utilizing third-party capital and to acquire and develop land through such development funds. Rental housing developed and owned by the Company is one of the assets most preferred by investors in the Asia-Pacific region, and the Consortium believes that the use of development funds will enable the Company to undertake development that uses funds from investors to which the Company itself has not had access before,

thereby further strengthening its development function. Also, the Consortium believes that the Company will be able to improve its capital efficiency by forming core funds that utilize third-party capital for the purpose of semi-permanently owning and managing properties developed by the Company either on its own balance sheet or using development funds and thereby reducing the real estate holdings on the Company's balance sheet.

(ii) Transformation of the business model through the expansion of stable earnings from the expansion of fund management business

In the Company's current business model, the real estate development business accounts for most of the profits. However, the Company plans to form development funds and core funds, and by having its affiliates undertake the asset management services of the real estate owned by these funds, the Company expects to rapidly increase the balance of assets under management. By expanding revenues from asset management services, the Company aims to establish a more stable business model.

(iii) Utilization of relationships with global investors and the know-how in the fund management business

For the above transformation of the business model, the formation of funds and the attraction of investors, aimed for expanding the fund management business, are essential. By utilizing the relationships with global investors held by Hillhouse, as well as their know-how in the fund management business, the Company may be able to form its own fund and attract investors. Therefore, the Company believes that Hillhouse is the best partner for such transformation of the business model.

(iv) Securing inorganic growth opportunities through the utilization of a global network

Given the projected decline in the rental housing market, which is the Company's main market, due to Japan's decreasing population, the Company believes that strengthening its overseas business is essential for its medium- to long-term growth. By utilizing the Hillhouse's global network to secure overseas investment opportunities that contribute to the Company's growth, the Company expects to further expand its business and improve its profitability.

The Company received an explanation from the Offeror that the Transaction will consist of (i) the Tender Offer, (ii) in the event that the Tender Offer is successful, and the Offeror is unable to acquire all of the Company's shares (excluding treasury stock held by the Company and the Non-Tendered Shares) through the Tender Offer, the Company's shareholders will be limited to the Offeror and Daiwa Securities Group through the Share Consolidation, (iii) the Triangular Merger, which is conditional on

the Share Consolidation taking effect, and had Q&A session therewith, based on the results of the Q&A session, the Company came to the conclusion that the Transactions to make the Company a wholly-owned subsidiary of the Offeror would have no impact on the Company Group's business.

Furthermore, from the perspective of maximizing the corporate value of the Company Group together with the Offeror, the Non-Tendering Shareholders plan to continue to be involved in the management of the Company even after the Tender Offer is completed, and the Company has determined that continuing the capital relationship with the Non-Tendering Shareholders after the Transaction is executed will contribute to the enhancement of the corporate value of the Company Group.

In addition, if the Company were to go private, it could potentially affect the Company's ability to attract top talent and expand its business partners, benefits that have been gained from the increased social credibility and brand recognition as a publicly listed company. Furthermore, the Company would no longer be able to raise funds through equity financing in the capital markets.

However, given the recent rise in the cost of maintaining a listing, it is difficult to see the significance of continuing to maintain a stock listing in the future, and in addition, the Company Group's ability to attract top talent and expand business partners, thanks to its enhanced social credibility and brand recognition, is now largely driven by our business activities. Furthermore, although the delisting of the Company's stocks will mean that the Company will no longer be able to raise funds through equity finance from the capital markets, given that the Offeror plans to establish a development fund that utilizes third-party capital, acquire land through this development fund, and carry out development, the Company have come to the conclusion that the impact of this disadvantage on the Company's business will not be significant, and that the delisting of the Company's stocks will outweigh this disadvantage.

Furthermore, in July 2022, the Company received a proposal from one financial investor, other than the Offeror, regarding the privatization of the Company's Stock, and provided certain information to such financial investor until May 2024. However, the Company had received no concrete proposal, including the tender offer price, whether legally binding or not, and was ultimately notified of the discontinuation of the consideration process. Additionally, from late April to late May 2023, the Company approached four business corporations to gauge their interest in investing in the Company under the premise of privatization, but none expressed an intention to consider such an investment, nor did they submit any legally binding proposals or specific offers, including the tender offer price. On the other hand, the Offeror proceeded to make a concrete proposal regarding the privatization transaction, and the Company have determined that the Offeror's proposal of (a) diversifying funding methods through the establishment of a development fund to secure development funds, (b) further strengthening of asset management functions and improvement of capital efficiency through the use of a core fund, (c) establishing a business model centered on income gains through increased earnings from asset

management operations, and (d) implementing the measures to enhance corporate value that the Offeror is planning, such as introducing investment opportunities and M&A deals in Japan and overseas that will contribute to the growth of the Company by making full use of the global network of Hillhouse, will contribute most to enhancing the corporate value of the Company Group.

Additionally, the Company has determined that the Tender Offer Price is fair and provides a reasonable opportunity for the shareholders of the Company to sell their shares for the following reasons: (i) the results of the valuation of the Company's Stock in the Share Valuation Report (Nomura Securities) provided by Nomura Securities as described in "1. Procurement of a Share Valuation Report from an Independent Third-Party Valuator Retained by the Company" under "F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer" below shows that the Tender Offer Price exceeds the upper limit price of its Average Market Price Analysis and falls within the per-share price range based on its discounted cash flow analysis (the "DCF Analysis"); (ii) the results of the valuation of the Company's Stock in the Share Valuation Report (Deloitte Tohmatsu Financial Advisory) provided by Deloitte Tohmatsu Financial Advisory as described in "4. Procurement of a Share Valuation Report from an Independent Third-Party Valuator Retained by the Special Committee" under "F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer" below shows that the Tender Offer Price exceeds the upper limit price of its Average Market Price Analysis and falls within the per-share price range based on its DCF Analysis; (iii) the Tender Offer Price is obtained by adding a premium of 18.07% to the closing price of the Company's Stock on the Prime Market of the TSE on October 10, 2024, which is the business day immediately preceding the announcement date of the Tender Offer (JPY 2,795); a premium of 20.31% over the simple average of JPY 2,743 for the closing stock price for the most recent month (from September 11, 2024 to October 10, 2024); a premium of 24.39% over the simple average of JPY 2,653 for the closing stock price for the most recent 3 months (from July 11, 2024 to October 10, 2024); or a premium of 25.81% over the simple average of JPY 2,623 for the closing stock price for the most recent 6 months (from April 11, 2024 to October 10, 2024), respectively, and includes a reasonable premium compared to the premium levels granted in 38 cases (excluding cases where the target was a consolidated subsidiary of the purchaser) where the total voting rights ratio of the purchaser and special related parties exceeded one-third, which were announced between January 1, 2022, and October 9, 2024. In such cases, the average and median premiums against (a) the closing price on the business day prior to the announcement is 53.29% and 49.23%, (b) the simple average of closing prices over the past one month is 55.28% and 48.59%, (c) the simple average of closing prices over the past three months is 56.65% and 47.86%, and (d) the simple average of closing prices over the past six months is 57.42% and 49.57%; and (iv) the Tender Offer Price was determined after taking measures to ensure the fairness

of the Tender Offer, as described in "F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer" below..

Considering all the above, the Company has determined that the Transaction will allow it to increase its corporate value, the Tender Offer Price is a fair price that ensures the interests of the Company's shareholders, and the Tender Offer provides a reasonable opportunity for the Company's shareholders to sell their shares. Consequently, at the meeting of the Company's board of directors held on October 11, 2024, the Company resolved to express its opinion supporting the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

For details on the board of directors' resolution above, please refer to "5. Unanimous approval of all disinterested directors (including audit and supervisory committee members) of the Company" under "F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer" below.

C. Matters Regarding Calculation

1. Procurement of a Share Valuation Report from a Financial Advisor and Independent Third-Party Valuator Retained by the Company

a. Name of the valuator and its relationship with the listed company and the Offeror

In expressing the Company's opinion statement with respect to the Tender Offer, the Company requested Nomura Securities, the financial advisor and third-party valuator independent from the Company Group, the Offeror Group, and the Non-Tendering Shareholders, to calculate the share value of the Company's Stock and consequently obtained the Share Valuation Report (Nomura Securities) on October 10, 2024. Furthermore, since both the Company and the Offeror have implemented measures to ensure the fairness of the Tender Offer and to avoid conflict of interests, the Company has not obtained an opinion on the fairness of the Tender Offer Price (fairness opinion) from Nomura Securities. Nomura Securities does not fall under a related party of the Company Group, the Offeror Group, or the Non-Tendering Shareholders and does not have any important interest to be disclosed in relation to the Transactions, including the Tender Offer. The remuneration for Nomura Securities pertaining to the Transactions includes the contingency fee paid upon the satisfaction of certain conditions, such as the completion of the Transactions. The Company has appointed Nomura Securities as its financial advisor and third-party valuator based on the remuneration system described above by determining that their independence cannot be denied simply because they will be paid a contingency fee that is conditioned on the completion of the Tender Offer, taking into account the general practice in the same type of transactions and the appropriateness of a remuneration system where the Company will incur a financial burden even if the Transactions are not completed. In addition, the Special Committee confirmed that

there was no problem with the independence of Nomura Securities.

b. Outline of Calculation

As a result of examining the calculation method in the Tender Offer and based on the premise that the Company is a going concern, in light of the belief that it is appropriate to value the Company's Stock on a multi-faceted basis, Nomura Securities used the average market price analysis because the Company's Stock are listed on the Prime Market of the TSE and used the DCF analysis to reflect the future business activities in the calculation to calculate the share value of the Company's Stock.

According to Nomura Securities, the methods used to calculate the value of The Company's Stock and the range of values per share calculated based on these methods are as follows.

Average Market Price Analysis	JPY 2,624 ~JPY 2,832
DCF Analysis	JPY 2,102 ~JPY 4,677

Based on the average market price analysis, the range of the per-share value of the Company's Stock was calculated to be JPY 2,624 to JPY 2,832, which calculation used a reference date of October 9, 2024 and a closing price as of such date on the Prime Market of the TSE of JPY 2,792, a simple average closing price for the last 5 Business Days of JPY 2,832, a simple average closing price for the last one month of JPY 2,734, a simple average closing price for the last three months of JPY 2,649, and a simple average closing price for the last six months of JPY 2,624.

Under the DCF analysis, taking into account reasonable assumptions such as revenue forecasts and investment plans based on the Company's business plan prepared by the Company for the period from the fiscal year ending December 2024 to the fiscal year ending December 2029 (the "Business Plan"), the share value of the Company's Stock was analyzed by evaluating the corporate value based on the free cash flow expected to be generated by the Company in the third quarter of the fiscal year ending December 2024 and onwards, discounting it to the present value at a certain rate reflecting the business risk, and by making certain financial adjustments such as adding or deducting cash equivalents, interest-bearing debt and the like held by the Company. As a result, the range of the per-share value was calculated to be JPY 2,102 to JPY 4,677.

The Business Plan Nomura Securities used for the calculation by the DCF analysis includes fiscal years in which significant increases and decreases in profit are expected. Specifically, due to the varying scale of development and sales of income-generating real estate depending on the fiscal year, operating profit for the fiscal year ending December 2025 is expected to decrease significantly, while operating profit for the fiscal year ending December 2026 is expected to increase substantially (FY2025: operating profit of JPY 18.599 million, a 38.5% decrease year-over-year; FY2026: operating profit of JPY 32.921 million, a 77.0% increase year-over-year). Furthermore, due to changes in working capital for the

reasons mentioned above, free cash flow for the fiscal years ending December 2025 and December 2028 is expected to decrease significantly, while free cash flow for the fiscal years ending December 2026 and December 2029 is expected to increase significantly.

The synergies expected to be realized through the implementation of Transaction are not considered in the Business Plan, since it is difficult to estimate in detail at this point.

(Note) According to Nomura Securities, in calculating the share value, it assumes that all information provided by the Company or those publicly disclosed is accurate and complete, and it has not independently verified their accuracy and completeness. Additionally, Nomura Securities has not independently evaluated, appraised, or assessed assets or liabilities (including derivatives, off-the-book assets and liabilities and any other contingent liabilities) of the Company and the Company's related company, and it has not requested third-party organizations to appraise or assess the same. It is assumed that the Business Plan was reasonably examined or prepared based on the best and most sincere forecasts and judgments by the Company's management at the time of calculation. Nomura Securities' calculation reflects information and economic conditions available to Nomura Securities by October 9, 2024. Furthermore, Nomura Securities' calculations are intended solely to serve as a reference for the Company's board of directors to consider the share value of the Company's Stock.

2. Procurement of a Share Valuation Report from an Independent Third-Party Valuator Retained by the Special Committee

a. Name of the valuator and relationship with the listed company and the Offeror

In considering the consulted matters as described in “3. Establishment of Independent Special Committee at the Company and Procurement of Written Report” under “F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer”, the Special Committee requested Deloitte Tohmatsu Financial Advisory, an independent third-party valuator independent of the Company Group, the Offeror Group, and the Non-Tendering Shareholders, to calculate the share value of the Company's Stock, in order to ensure the fairness of its decision-making regarding the Tender Offer Price presented by the Offeror Group and consequently obtained the Share Valuation Report (Deloitte Tohmatsu Financial Advisory) as of October 10, 2024. The Special Committee has not obtained a fairness opinion of the Tender Offer Price (fairness opinion) from Deloitte Tohmatsu Financial Advisory because of it believes that the fairness of the Transaction, including Tender Offer Price, is ensured by the various measures that it implemented for the purpose of ensuring the fairness of the Tender Offer Price and the Transaction including the Tender Offer and to avoid conflict interests as described in “F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below. Deloitte Tohmatsu Financial Advisory does not fall under

a related party of the Company Group, the Offeror Group or the Non-Tendering Shareholders, and does not have any important interest to be disclosed in relation to the Transactions, including the Tender Offer. The remuneration to Deloitte Tohmatsu Financial Advisory for the Transaction is only a fixed remuneration to be paid regardless of success or failure of the Transaction, and does not include a contingency remuneration conditioned on the announcement or completion of the Transaction.

In addition, the Special Committee has appointed Deloitte Tohmatsu Financial Advisory as its own third-party valuator, as Deloitte Tohmatsu Financial Advisory has no issues with its independence and expertise.

b. Outline of calculation

As a result of examining the calculation method to be adopted in valuing the Company's Stock among several share valuation methods and based on the premise that the Company is a going concern, in light of the belief that it is appropriate to value the Company's Stock on a multi-faceted basis, Deloitte Tohmatsu Financial Advisory used the average market price analysis because the Company's Stock are listed on the Prime Market of the TSE, and used the DCF analysis to reflect the future business activities in the calculation to calculate the per-share value of the Company's Stock.

The following is the ranges of per-share values of the Company's Stock calculated by each of the methods above.

Average Market Price Analysis	JPY 2,624~JPY 2,792
DCF Analysis	JPY 2,917~JPY 4,322

Based on the average market price analysis, the range of the per-share value of the Company's Stock was calculated to be JPY 2,624 to JPY 2,792, which calculation used a reference date of October 9, 2024 and a closing price as of such date on the Prime Market of the TSE of JPY 2,792, a simple average closing price for the last one month of JPY 2,734, a simple average closing price for the last three months of JPY 2,649, and a simple average closing price for the last six months of JPY 2,624.

Under the DCF analysis, taking into account the Company's Business Plan prepared by the Company and information available to the public, the share value of the Company's Stock was analyzed by evaluating the corporate value based on the free cash flow expected to be generated by the Company in the fourth quarter of the fiscal year ending December 2024 and onwards, discounting it to the present value at a certain rate. As a result, the range of the per-share value was calculated to be JPY 2,917 to JPY 4,322. The Business Plan Deloitte Tohmatsu Financial Advisory used as the basis for its DCF analysis includes fiscal years in which it expects a significant increase or decrease in operating profits and free cash flow from those in the previous fiscal year. In particular, due to the varying scale of development and sales of income-generating real estate depending on the fiscal year, operating profit

for the fiscal year ending December 2025 is expected to decrease significantly, while operating profit for the fiscal year ending December 2026 is expected to increase substantially (FY2025: operating profit of JPY 18,599 million, a 38.5% decrease year-over-year; FY2026: operating profit of JPY 32,921 million, a 77.0% increase year-over-year). Furthermore, due to changes in working capital for the reasons mentioned above, free cash flow for the fiscal years ending December 2025 and December 2028 is expected to decrease significantly, while free cash flow for the fiscal years ending December 2026 and December 2029 is expected to increase significantly. The synergies that may be realized through the implementation of the Transaction are not considered in the Business Plan, since it is difficult to estimate in detail at this point.

(Note) According to Deloitte Tohmatsu Financial Advisory, it in principle adopts information provided by the Company or those publicly disclosed, etc. in calculating the Company's Stock value, and assumes that all such materials, information, etc. are accurate and complete, and there are no facts undisclosed to Deloitte Tohmatsu Financial Advisory that may have an important impact on the calculation of the value of the Company's Stock, and it has not independently verified their accuracy and completeness. Additionally, Deloitte Tohmatsu Financial Advisory assumes that information regarding the Business Plan have been prepared in a reasonable manner based on the best forecasts and judgments by the Company's management at the time. Further, Deloitte Tohmatsu Financial Advisory has not independently evaluated, appraised or assessed assets or liabilities (including derivatives, off-the-book assets and liabilities and any other contingent liabilities) of the Company and the Company's related company, and it has not requested third-party organizations to evaluate, appraise or assess the same. The calculation of Deloitte Tohmatsu Financial Advisory reflects the above information up to October 9, 2024.

D. Prospects for Delisting and Reasons Therefor

The Company's Stock is listed on the Prime Market of the TSE as of date of today, however, the Offeror has not set the maximum number of tendered shares to be purchased in the Tender Offer, and therefore, the Company's Stock may be delisted through the prescribed procedures in accordance with the TSE's criteria for delisting depending on the results of the Tender Offer.

Also, even if such criteria are not met as at the time of completion of the procedures of the Tender Offer, the Squeeze-Out Procedures described in "E. Policy of Reorganization after the Tender Offer (Matters Concerning the Two-Step Acquisition)" below are to be implemented after the consummation of the Tender Offer, the TSE's delisting criteria will be met and the Company's Stock will be delisted through the prescribed procedures. After the delisting of the Company's Stock, the shares of the Company's Stock may no longer be traded on the Prime Market of the TSE.

E. Policy of Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)

As described in “1. Overview of the Tender Offer” of “B. Grounds and Reasons for the Opinion” above, if the Offeror is unable to acquire all shares of the Company's Stock (excluding the treasury shares held by the Company and the Non-Tendered Shares) by the Tender Offer, the Offeror plans to implement the Squeeze-Out Procedures for the purpose of making the Offeror and Daiwa Securities Group the sole shareholders of the Company and taking the Company's Stock private, by the following method after the consummation of the Tender Offer.

Specifically, promptly after the completion of the settlement of the Tender Offer, the Offeror plans to request the Company, to hold an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") by around late January 2025, at which the items for resolution shall include the implementation of consolidation of the shares of the Company's Stock (the "Share Consolidation") pursuant to Article 180 of the Companies Act, and on condition that the Share Consolidation takes effect, partial amendment of the articles of incorporation to abolish the provision concerning share units. The Offeror believes that it is desirable to hold the Extraordinary Shareholders' Meeting as early as possible from the perspective of enhancing the Company's corporate value, and plans to request that the Company make a public announcement of the record date for the Extraordinary Shareholders' Meeting so that the date closely following the commencement of settlement of the Tender Offer (as of today it is scheduled to be in early December 2024) will be the record date for the Extraordinary Shareholders' Meeting (the date of the Extraordinary Shareholders' Meeting is yet to be determined as of today but the announcement of record date may be made during the Tender Offer Period). According to the Company's Press Release, the Company plans to comply with such request if it receives such request from the Offeror. The Offeror and Non-Tendering Shareholders (Note) plan to vote in favor of each of the above proposals at the Extraordinary Shareholders' Meeting.

(Note) After the consummation of the Tender Offer and prior to the implementation of the Share Consolidation, Daiwa PI plans to transfer all of the Company's Stock held by it (number of shares held: 1,250,000 shares, Shareholding Ratio: 2.44%) to Daiwa Securities Group, its wholly-owning parent company.

If the proposal for the Share Consolidation is approved, then on the date on which the Share Consolidation takes effect, the Company's shareholders will hold the shares of the Company's Stock in the number corresponding to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. If any fraction of a share less than one share is generated from the Share Consolidation, an amount of money obtained by selling to the Company or the Offeror the shares of Company's Stock equivalent to the total number of such fractional shares (any fractional shares less than one share created by aggregating those fractional shares shall be discarded; the same applies hereinafter) shall be delivered to the Company's shareholders for whom a fraction of less than one share is generated,

in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations.

With respect to the sale price of the shares of the Company's Stock equivalent to such total number of fractional shares, it is scheduled that this price shall be set in such a way so that, as a result of selling these shares, the amount of money to be delivered to the shareholders of the Company who did not tender in the Tender Offer (excluding the Offeror, Daiwa Securities Group, and the Company) shall be the same as the price that shall be obtained by multiplying the Tender Offer Price by the number of the shares of the Company's Stock held by such shareholders. After the above process, the Offeror intends to request the Company to file a petition to obtain permission for voluntary sale to the court. In addition, although the ratio of the Share Consolidation of the Company's Stock has not yet been determined as of today, the Offeror plans to request to determine the number of the shares of the Company's Stock held by the Company's shareholders who did not tender in the Tender Offer (excluding the Offeror, Daiwa Securities Group, and the Company) to be a fraction of less than one share, so that the Offeror will hold all of the issued shares of the Company's Stock (excluding treasury shares held by the Company and Non-Tendered Shares). The Company plans to promptly announce the specific procedures for the consolidation of shares after the decision has been made through discussions between the Offeror and the Company.

The provisions of the Companies Act that protect the rights of the minority shareholders in connection with the Share Consolidation stipulate that when fractional shares of less than one share are created as a result of the Share Consolidation, the Company's shareholders (excluding the Offeror, Daiwa Securities Group, and the Company) may request the Company to purchase all fractional shares that they hold at a fair price and that they may file with the court a petition to determine the price of the shares of the Company's Stock pursuant to Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations.

As described above, in the Share Consolidation, the number of shares of the Company's Stock held by the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Offeror, Daiwa Securities Group, and the Company) is expected to be fractions of less than one share, and therefore, the Company's shareholders who oppose to the Share Consolidation (excluding the Offeror, Daiwa Securities Group, and the Company) may file the above petition. If such petition is filed, the purchase price of the shares of the Company's Stock will ultimately be determined by the court.

In respect of the restricted stock compensation (the "Restricted Stock") granted to the Company's directors (excluding outside directors and directors who are audit and supervisory committee members), executive officers, and the executive officers of Samty, a wholly owned subsidiary of the Company (the "Executive Officers"), the allotment agreement for the Restricted Stock provides that: (a) if, during the transfer restriction period, matters regarding the consolidation of shares (limited to cases where such consolidation of shares results in the allottee of the Restricted Stock holding only a fraction of less than one share of the Restricted Stock) is approved in the Company's shareholders meeting (limited, however,

to cases where the effective date of the consolidation of shares comes before the end of the transfer restriction period), in accordance with a resolution of the board of directors of the Company, for the number of shares of the Restricted Stock obtained by dividing the number of months from June 2024 (March 2024 for the Executive Officers) to the month that includes the date of the relevant approval (the "Squeeze-Out Approval Date") by 10 (13 for the Executive Officers)(if the division results in a number greater than 1, the number shall be 1), multiplied by the number of shares of the Restricted Stock held by the allottee of the Restricted Stock on the Squeeze-out Approval Date (if the calculation results in a fraction of less than one share, any such fraction shall be rounded down), the transfer restriction will be lifted as of the time immediately before the effective date of the consolidation of shares; and (b) in the case of (a) above, the Company shall acquire, without consideration, on the business day preceding the effective date of such consolidation of shares, all of the Restricted Stock for which the restriction on transfer has not been lifted as of the same day. In the procedures for the Stock Consolidation, in accordance with the provisions of (a) of the above allotment agreement, the Restricted Stock for which the transfer restriction is lifted immediately before the business day immediately preceding the effective date of the Stock Consolidation will be subject to the Stock Consolidation, and in accordance with the provisions of (b) of the above allotment agreement, the Company plans to acquire without consideration the Restricted Stock for which the transfer restriction is not lifted as of the business day immediately preceding the effective date of the Stock Consolidation.

With respect to the above procedures, the method and timing of implementation may change, depending on the situations such as amendments, effectuation, and interpretation by the authorities of relevant laws and regulations. Even in such case, the method of finally delivering money to the Company's shareholders who did not tender in the Tender Offer (excluding the Offeror, Daiwa Securities Group, and the Company) will be adopted, and in such case, the amount of money to be delivered to each such shareholder will be calculated to be equal to the Tender Offer Price multiplied by the number of the shares of the Company's Stock held by each such shareholder.

If it is expected that the Stock Consolidation will be completed by March 31, 2025, the Offeror will request that the Company make a partial amendment to its articles of incorporation to abolish the provisions regarding the record date for the exercise of voting rights at the Company's annual general meeting of shareholders scheduled to be held in late March 2025 for the fiscal year ending December 2024 (the "Annual General Meeting of Shareholders"), on the condition that the Stock Consolidation is completed, so that only shareholders who will be entitled to exercise their rights at the Annual General Meeting of Shareholders will be the shareholders after the completion of the Stock Consolidation. As a result, shareholders who are recorded or registered in the Company's shareholder register as of December 31, 2024 may not be able to exercise their rights at the Annual General Meeting of Shareholders.

The Company will promptly announce the specific procedures and timing of implementation in the above cases as soon as they are determined upon discussion between the Offeror and the Company. The

Tender Offer is not a solicitation for the Company's shareholders to vote in favor of the proposals at the Extraordinary Shareholders' Meeting. The shareholders of the Company are requested to confirm with professionals, such as tax accountants, at their responsibility concerning tax treatment for tendering in the Tender Offer or in the procedures above.

As described in "1. Overview of the Tender Offer" of "B. Grounds and Reasons for the Opinion" above, the Offeror plans to implement the Triangular Merger after the implementation of the Squeeze-Out Procedures.

F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer

As of today, the Company is not the subsidiary of the Offeror, and the Tender Offer does not constitute a tender offer by the controlling shareholder. In addition, it is not expected that all or a part of the management of the Company will invest directly or indirectly in the Offeror, and the Transaction, including the Tender Offer, does not constitute so-called management buyout (MBO) transaction (Note).

However, considering that (i) the Offeror has entered into an agreement with Daiwa Securities Group, a major and the largest shareholder of the Company and its wholly-owned subsidiary, Daiwa PI not to tender the Non-Tendered Shares in the Tender Offer and to carry out the Triangular Merger, and (ii) the Offeror intends to take the Company's Stock private, making the Offeror and Daiwa Securities Group the sole shareholders of the Company, the measures below were implemented to ensure fairness of the Tender Offer Price, to eliminate arbitrariness in decision-making process concerning the Transaction, and to ensure fairness, transparency, and objectiveness in the decision-making process, and to avoid doubts of conflicts of interest.

(Note) "Management Buyout (MBO)" is a transaction in which the Offeror makes a tender offer pursuant to an agreement with the directors and officers of the Company and in which the Offeror shares common interests with the directors and officers of the Company.

The Offeror believes that setting a minimum number of tendered shares to be purchased by the so-called "Majority of Minority" in the Tender Offer would destabilize the consummation of the Tender Offer, which in turn might not serve the interests of minority shareholders of the Company who wish to tender in the Tender Offer, and therefore, it will not set a minimum number of tendered shares to be purchased by the "Majority of Minority" in the Tender Offer. However, the Offeror believes that due consideration was given to the interests of the Company's minority shareholders, given that the Company have implemented the measures below in (I) through (VI) as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflict of interests.

1. Procurement of a Share Valuation Report from an Independent Third-Party Valuator Retained by the Company

As described in “1. Procurement of a Share Valuation Report from a Financial Advisor and Independent Third-Party Valuator Retained by the Company” of “C. Matters Regarding Calculation” above, in determining its opinion regarding the Tender Offer, the Company requested Nomura Securities, the financial advisor and third-party valuator independent from the Company Group, the Offeror Group, and the Non-Tendering Shareholders, to calculate the share value of the Company’s Stock and consequently obtained the Share Valuation Report (Nomura Securities) as of October 10, 2024. Please refer “b. Overview of calculation” of “1. Procurement of a Share Valuation Report from a Financial Advisor and Independent Third-Party Valuator Retained by the Company” of “C. Matters Regarding Calculation” above to get the details of Share Valuation Report (Nomura Securities) which the Company have obtained from Nomura Securities.

2. Advice from an Independent Law Firm by the Company

In order to ensure the fairness and appropriateness in the decision-making of the Company’s board of directors, the Company appointed TMI Associates as its legal advisor that is independent of the Company Group, the Offeror Group and the Non-Tendering Shareholders and has received legal advice regarding the decision-making methods and processes of the Company's board of directors for the Tender Offer and the subsequent series of procedures, as well as other points to note when making decisions. TMI Associates does not fall under a related party of the Company Group, the Offer Group and the Non-Tendering Shareholders, and it does not have any important interest in relation to the Transaction.

In addition, the Special Committee has approved the appointment of TMI Associates as the Company's legal advisor, as there are no issues with the independence or expertise of TMI Associates, and it has confirmed that the Special Committee may also receive expert advice from TMI Associates as necessary. The remuneration for TMI Associates is calculated only on an hourly basis, and no contingency remuneration conditioned on the completion of the Transaction has been adopted.

3. Establishment of Independent Special Committee at the Company and Procurement of Written Report

In order to carefully make decisions by the Company’s board of directors regarding the Transaction, to eliminate arbitrariness and risks of conflict of interest in the decision-making process of the Company’s board of directors, and to ensure the fairness of the Transaction, before the Company's deliberation and resolution regarding the pros and cons of the Transaction, the Company established the Special Committee consisting of five independent outside directors of the Company: Mr. Shoichi Sampei (outside director of the Company, certified public accountant, Akebono Audit Corporation, Representative Member), Ms. Junko Kawai (outside director of the Company, attorney at law, Umegae-

Chuo Legal Profession Corporation, Partner), Mr. Mitsusuke Koi (outside director of the Company), Tetsuo Kodera (outside director of the Company, attorney at law, Kodera Law Firm), and Naotaka Murata (outside director of the Company, certified public accountant, Daichi & Co., Representative Member) on June 12, 2024,. The Company selected these five individuals as the members of the Special Committee from the outset, and there has been no change to the members of the Special Committee. In addition, when selecting the members of the Special Committee, the Company confirmed that each of Mr. Shoichi Sampei, Ms. Junko Kawai, Mr. Mitsusuke Koi, Mr. Tetsuo Kodera and Mr. Naotaka Murata does not have any material interests in either the Company Group, the Offeror Group or the Non-Tendering Shareholders. Each member of the Special Committee will be paid a fixed amount of remuneration for their services, regardless of the content of their report.

The Company has consulted the Special Committee about (a) the appropriateness of the purpose of the Transaction, (b) the fairness of the procedures as to the negotiation process with respect to the Transaction, (c) the fairness of the consideration delivered to the minority shareholders of the Company in the Transaction and (d) whether the Transaction (including the Company's opinion statement with respect to the Tender Offer) would be detrimental to the minority shareholders of the Company on the premise of (a) through (c) above and certain other matters (collectively, the "Consulted Matters"), and requested the Special Committee to provide the Company with the Report pertaining to the Consulted Matters.

Furthermore, the Company's board of directors has resolved to grant the Special Committee the authority (i) to ask questions to, and request explanations and advice from, the Company's officers and employees or the Company's advisors involved in the Transaction regarding the matters necessary for the consideration of the Consulted Matters, and to conduct other investigations, (ii) to state its opinions to the Company and provide necessary instructions and requests regarding the policy for discussions and negotiations with the Offeror, and (iii) if the Special Committee deems it necessary, to independently appoint attorneys, certified public accountants, and other advisors at the Company's expense and request advice from the Special Committee. In addition, in consulting with the Special Committee, the Company's board of directors has resolved that it will respect the opinions of the Special Committee to the fullest extent possible, and that if the Special Committee determines that the Transaction is not appropriate, the Company will not implement the Transaction.

The Special Committee has hold a total of 10 times between June 28, 2024, and October 10, 2024, and shared reports and information, deliberated and made decisions via email in a period between each meeting, and discussed and examined the Consulted Matters. Specifically, the Special Committee received an explanation from the Company regarding how it received the proposal of the Transaction, the purpose of the Transaction, the business environment, business plans, business challenges and the like, and had a Q&A session therewith. The Special Committee also received an explanation from the Offeror about how they had come to propose the Transaction and reasons thereof, the purpose of the

Transaction, the terms and conditions of the Transaction and the like and had a Q&A session therewith. Additionally, when the Introductory Partner withdrew in early October 2024, the Special Committee conducted additional interviews to confirm the reasons behind their withdrawal and assess the potential impact on the Transaction. Furthermore, the Special Committee also received an explanation from the Non-Tendering Shareholders about the significance of the Transaction, how they received the proposal regarding the Non-Tender Agreement, the policy regarding their involvement in the management of the Company after the Transaction and the like and had a Q&A session therewith. In addition, the Special Committee has confirmed that it is able to substantially engage in the negotiation process with respect to the terms and conditions by receiving timely reports of the progress from the person in charge of the negotiation, providing opinions in important situations, giving instructions, requests and so forth. Furthermore, Nomura Securities and Deloitte Tohmatsu Financial Advisory has provided an explanation on the calculation method of the share value of the Company's Stock and results thereof. Subsequently, the Special Committee, after receiving a timely report from the Company and Nomura Securities regarding the progress and details of the discussions and negotiations concerning the Transaction between the Offeror and the Company, deliberated these matters. Then, as described in "3. Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor" under "B. Grounds and Reasons for the Opinion" above, the Special Committee has engaged in negotiations regarding the Tender Offer Price with the Offeror and advised the Company that it request the Offeror to increase the Tender Offer Price until the final agreement with the Offeror at a price of JPY 3,300. Furthermore, the Special Committee received an explanation from TMI Associates about the measures to ensure the fairness of the procedures for the Transaction, including the significance and role of the Special Committee, as well as the methods and processes for decision-making by the Company's board of directors regarding the Transaction and other measures to avoid conflicts of interest, and had a Q&A session thereof, and received an explanation from the Company and Nomura Securities about the negotiation process and decision-making process for the terms and conditions of the Transaction, had a Q&A session thereof and examined the reasonableness of the calculation results.

The Special Committee has appointed Deloitte Tohmatsu Financial Advisory as its own independent third-party valuator after considering the independence, expertise, and track record of the candidates for third-party valuator. In addition, as stated in "1. Procurement of a Share Valuation Report from an Independent Third-party Valuator Retained by the Company" and "2. Advice from an Independent Law Firm by the Company" above, the Special Committee approved the appointment of Nomura Securities as the financial advisor and the third-party valuator of the Company and of TMI Associates as the legal advisor of the Company, after confirming their independence, expertise, and track record and so forth of each.

As a result of careful discussions and considerations regarding the Consulted Matters as described above, the Special Committee provided the Report to the Company's board of directors on as follows,

2024, which was agreed by all the members of the Special Committee.

a. Legitimacy of the purpose of the Transactions

The Special Committee conducted hearings with the Company, Hillhouse, the Introductory Partner, and the Daiwa Securities Group regarding the purpose of the Transaction and the specific details of the corporate value of the Company that is expected to be enhanced by the Transaction, and received explanations of the details described in “2. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy” and “3. Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “(B. Grounds and Reasons for the Opinion” above, and confirmed and examined them.

As a result, the purpose of the Transaction, including the Tender Offer, were not unreasonable in any respect, and were deemed to be the result of reasonable consideration. Therefore, the Transactions are being conducted for the purpose of increasing the corporate value of the Company Group, and thus the purpose of the Transactions was determined to be legitimate.

b. Fairness of the negotiation process relating to the Transactions

(a) Company’s analysis method

When considering the Transaction, the Company, based on the advice and opinions of Nomura Securities, its financial advisor and third-party valuator, and TMI Associates, its legal advisor, both which are independent from the Company Group, Offeror Group and Non-Tendering Shareholders, carefully deliberated and considered the fairness of the procedures relating to the Transaction and the adequacy of the terms and conditions of the Tender Offer, such as the Tender Offer Price, from the perspective of the common interest of the shareholders of the Company as well as increasing the Company’s corporate value.

In addition, the Special Committee received expert advice from Deloitte Tohmatsu Financial Advisory, its own third-party valuator appointed by the Special Committee, which is independent from the Company Group, Offeror Group and Non-Tendering Shareholders.

(b) Discussions and negotiations by the Company

The Company has held multiple rounds of substantive discussions and negotiations with the Offeror to ensure the fairness of the Tender Offer Price from the perspective of protecting the interests of the minority shareholders.

Specifically, the Company, through Nomura Securities, repeatedly negotiated the Tender Offer Price with the Offeror several times. In the course of these discussions and negotiations, the Special Committee received timely reports from the Company on the background and content

of the discussions and negotiations, and the Special Committee discussed policies and expressed its opinions during the Special Committee, and thus the Special Committee was substantially involved in the negotiation process with the Offeror.

As a result of such negotiations, the price increased by JPY 460 from its initial proposal of JPY 2,840 per share to JPY 3,300 per share, the Tender Offer Price.

(c) No participation of special interested party in the negotiation process of the Transaction

None of the directors representing the Company in the deliberation and negotiation of this transaction have any special interests related to the Transaction. Furthermore, there are no facts that would imply that the Offeror or any other parties with special interests in the Transaction exerted any undue influence on the Company's side during the discussions, evaluations, and negotiations related to the Transaction.

(d) Respecting the opinion of the Special Committee to the greatest extent possible

The Company will respect the opinions of the Special Committee to the greatest extent possible when making decisions relating to the Transactions and, has resolved not to conduct the Transaction if the Special Committee determines that the Transaction is not appropriate.

(e) Summary

Considering the points above, after careful deliberation and consideration, the Special Committee reached the determination that the procedures relating to the negotiation process with respect to the Transaction were fair.

c. Adequacy of the terms and conditions of the Transactions, such as consideration to be delivered to the minority shareholders of the Company

(a) Share Valuation Report of Nomura Securities

According to the Share Valuation Report obtained by the Company from Nomura Securities, its financial advisor and third-party valuator of the Company, which is independent from the Company Group, Offeror Group and Non-Tendering Shareholders, the per-share value of the Company's Stock is JPY 2,624 to JPY 2,832 based on the Average Market Price Analysis, and JPY 2,102 to JPY 4,677 based on the DCF Analysis.

The Tender Offer Price exceeds the upper limit of the price calculated by the Average Market Price Analysis, and is also within the range of the price based on the DCF Analysis in the Share Valuation Report obtained from Nomura Securities.

Furthermore, the Special Committee received a detailed explanation from Nomura Securities regarding the method used to calculate the share price, and held a Q&A session with Nomura

Securities and the Company about the assumptions thereof, including the financial forecasts based on the Company's business plan which were the basis for the selection and calculation of the valuation methods. As a result, the Special Committee did not find anything unreasonable in light of the customary valuation practices. The business plan Nomura Securities used for the calculation by the DCF Analysis from the fiscal year ending December 2024 to the fiscal year ending December 2029 has been prepared by adjusting the Company Group's medium- to long-term target figures set out in the medium-term management plan announced in January 2021, taking into account recent changes in the business environment and the like. Thus, the figures in the Business Plan differ from those in the medium- to long-term target for the Company Group in the medium-term management plan.

In addition, the Tender Offer Price (JPY 3,300) reflects a premium of 18.19% (rounded up to 2 decimal places; hereinafter the same in calculation of premiums) over the closing price (JPY 2,792) of the Company's Stock on the Prime Market of the TSE on the base date for calculation (October 9, 2024), 20.70% over the simple average of closing prices for the one-month period prior to such date (JPY 2,734 (rounded up to the nearest whole yen; hereinafter the same in calculation of simple average of closing prices)), 24.58% over the simple average of closing prices for the three-month period prior to such date (JPY 2,649), and 25.76% over the simple average of closing prices for the six-month period prior to such date (JPY 2,624), and thus it is a price with a reasonable premium.

(b) Share Valuation Report of Deloitte Tohmatsu Financial Advisory

According to the Share Valuation Report obtained by the Special Committee from Deloitte Tohmatsu Financial Advisory, its third-party valuator independent from the Company Group, Offeror Group and Non-Tendering Shareholders, in order to ensure the fairness of the decision-making process regarding the Tender Offer Price presented by the Tender Offeror Group in consideration of the Consulted Matters, the per-share value of the shares is JPY 2,624 to JPY 2,792 according to the average stock price analysis, and JPY 2,917 to JPY 4,322 based on a DCF analysis.

The Tender Offer Price exceeds the upper limit of the price calculated by the Average Market Price Analysis, and is also within the range of the price based on the DCF Analysis in the Share Valuation Report obtained from Deloitte Tohmatsu Financial Advisory.

Furthermore, the Special Committee received a detailed explanation from Deloitte Tohmatsu Financial Advisory regarding the method used to calculate the share price, and held a Q&A session with Deloitte Tohmatsu Financial Advisory and the Company about the assumptions thereof, including the financial forecasts based on the Company's business plan which were the basis for the selection and calculation of the valuation methods. As a result, the Special

Committee did not find anything unreasonable in light of the customary valuation practices.

In addition, the Tender Offer Price (JPY 3,300) reflects a premium of 18.19% (rounded up to 2 decimal places; hereinafter the same in calculation of premiums) over the closing price (JPY 2,792) of the Company's Stock on the Prime Market of the TSE on the base date for calculation (October 9, 2024), 20.70% over the simple average of closing prices for the one-month period prior to such date (JPY 2,734 (rounded up to the nearest whole yen; hereinafter the same in calculation of simple average of closing prices)), 24.58% over the simple average of closing prices for the three-month period prior to such date (JPY 2,649), and 25.76% over the simple average of closing prices for the six-month period prior to such date (JPY 2,624), and thus it is a price with a reasonable premium.

(c) Fairness of the negotiation process

As stated above, the negotiation process relating to the Transaction, including the Tender Offer, have been deemed to be fair, and it is acknowledged that the Tender Offer Price has determined based on the results of such negotiations.

(d) Consideration to be delivered in the post-Tender Offer process

Minority shareholders who do not participate in the Tender Offer will ultimately receive cash in the upcoming delisting process, which is planned to occur after the Tender Offer. The amount of cash to be provided in this process is expected to be calculated to be the same as the product of the number of shares owned by each of these shareholders and the purchase price of the Tender Offer.

(e) Summary

Based on the above points, the Special Committee carefully discussed and considered the results, and determined that the consideration provided to the minority shareholders of the Company through the Transaction is appropriate.

d. Whether the Transaction would be detrimental to the minority shareholders of the Company

During the deliberations of the Special Committee, no specific events were identified that would have a particularly adverse impact on the Company's minority shareholders. Considering the matters outlined in (a) to (c) above, the Special Committee carefully examined the effects of the Transaction on minority shareholders of the Company. As a result, we concluded that expressing support for this Tender Offer and recommending participation in the Tender Offer to the Company's shareholders do not constitute disadvantages for the minority shareholders of the Company.

4. Procurement of a Share Valuation Report from an Independent Third-Party Valuator Retained by the Special Committee

As described in “2. Procurement of a Share Valuation Report from an Independent Third-Party Valuator Retained by the Special Committee” of “C. Matters Regarding Calculation” above, in determining its opinion on the Tender Offer, the Company requested Deloitte Tohmatsu Financial Advisory, an independent third-party valuator independent of the Company Group, the Offeror Group, and the Non-Tendering Shareholders, to calculate the share value of the Company’s Stock and consequently obtained the Share Valuation Report (Deloitte Tohmatsu Financial Advisory) as of , 2024. Please refer “b. Overview of calculation” of “2. Procurement of a Share Valuation Report from an Independent Third-Party Valuator Retained by the Special Committee” of “C. Matters Regarding Calculation” above to get the details of Share Valuation Report (Deloitte Tohmatsu Financial Advisory) which the Company have obtained from Deloitte Tohmatsu Financial Advisory.

5. Unanimous approval of all disinterested directors (including audit and supervisory committee members) of the Company

Based on the content of the Share Valuation Report (Nomura Securities) received from Nomura Securities, the Share Valuation Report (Deloitte Tohmatsu Financial Advisory) received from Deloitte Tohmatsu Financial Advisory through the Special Committee, and the legal advice received from TMI Associates, and respecting the opinions included in the Report provided by the Special Committee to the fullest extent possible, the Company’s board of directors carefully discussed and deliberated the Transaction from the perspectives of enhancement of the corporate value and appropriateness of the terms and conditions of the Transaction, including the protection of the interests of minority shareholders.

As a result, as described under “3, Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “B. Grounds and Reasons for the Opinion” above, the Company has determined that the Transaction, including the implementation of the Tender Offer, will contribute to the enhancement of the Company’s corporate value through the realization of the synergies described above, and that the terms and conditions of the Transaction, including the Tender Offer Price, ensure the benefits to be enjoyed by the minority shareholders of the Company, and that the Tender Offer provides the minority shareholders with a reasonable opportunity to sell their shares at a price with an appropriate premium. Accordingly, the Company’s board of directors meeting held on October 11, 2024, it was resolved to express their opinion supporting the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

At the above board of directors meeting, five of the nine directors of the Company, excluding Mr. Yasuhiro Ogawa, Mr. Takaharu Terauchi, Mr. Takashi Hamamatsu, and Mr. Masatsugu Oishi, (i.e., Mr. Shoichi Sampei, Ms. Junko Kawai, Mr. Mitsusuke Koi, Mr. Tetsuo Kodera, and Mr. Naotaka Murata)

deliberated and resolved to express their opinion supporting the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer. The reason for excluding Mr. Yasuhiro Ogawa, Mr. Takaharu Terauchi, Mr. Takashi Hamamatsu and Mr. Masatsugu Oishi from the resolution was that there is a potential risk that they would be affected by structural conflicts of interest under the Transaction, since Mr. Yasuhiro Ogawa, Mr. Takaharu Terauchi and Mr. Takashi Hamamatsu may enter into agreements with the Offeror Group regarding the management of the Company after the Transaction, and Mr. Masatsugu Oishi is an officer or employee of Daiwa Securities Group, which is a major and the largest shareholder of the Company and has entered into the Non-Tender Agreement with the Offeror. Additionally, none of the five directors who participated in the above board of directors meeting has any interest in the Offeror Group or the Non-Tendering Shareholders, such as concurrently serving as a director of the Offeror Group or Non-Tendering Shareholders. Further, Mr. Yasuhiro Ogawa, Mr. Takaharu Terauchi, Mr. Takashi Hamamatsu and Mr. Masatsugu Oishi did not participate in the deliberation at the board of directors meeting at all and has not participated in any discussions and negotiations with the Offeror on behalf of the Company in order to avoid any suspicion of conflict of interests.

6. Establishment of an Independent Deliberation Structure by the Company

As described under “3. Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” of “B. Grounds and Reasons for the Opinion” above, the Company has established a structure to consider, negotiate, and make decisions regarding the Transaction from a position independent of the Tender Offeror Group and the Non-Tendering Shareholders.

In particular, after receiving a proposal on June 11, 2024 to commence consideration and discussion of the Transaction, the Company established a project team to consider the Transaction and to discuss and negotiate with the Offeror Group based on the advice from TMI Associates. The members of the project team consist solely of officers and employees of the Company who don’t concurrently serve as officers or employees of the Offeror Group or the Non-Tendering Shareholders, and who have never held positions as officers or employees of the Offeror Group or the Non-Tendering Shareholders in the past. Additionally, the project team is exclusively involved in the negotiation process between the Company and the Offeror together with the Special Committee regarding the terms and conditions of the Transaction, including the Tender Offer Price, and had been doing so until today.

IV. Matters Relating to Important Agreements Concerning the Tender Offer between the Offeror and Shareholders of the Company

1. CBA Agreement

HK HoldCo and the Company have entered into the CBA Agreement as of October 11, 2024. The key terms of the CBA Agreement are as follows:

- A. **Opinion Representation Resolution:** Obligation of Company to adopt a resolution expressing its opinion supporting the Tender Offer and recommending that Song shareholders tender their Shares in the Tender Offer (the “Opinion Representation Resolution”) based on the special committee’s statement, and not to withdraw the Opinion Representation Resolution during the Tender Offer period, except in the event of a competing tender offer and if there has been a change in matters relating to the Offeror or HK Holdco or its investors described in the Tender Offer Registration Statement that has a material adverse effect on the ability of the Offeror to implement the Tender Offer and support the Company as described in the CBA Agreement.
- B. **No-talk:** Undertaking from Company not to initiate, solicit, or knowingly encourage a competing transaction.
- C. **Competing Tender Offer:** If a third party makes (i) a public notice of commencement of a tender offer; or (ii) an other announcement of a committed offer (which means a written offer that is reasonably expected to be fully financed (on certain fund terms)) which is viable from a regulatory clearance perspective, and has a contemplated timeline to announcement of a tender offer of no later than 22 business days after the last date on which the Offeror may make a matching offer (as set out below), in each case in cash to acquire such number of the Company’s Stock, which, when combined with the Company’s Stock held by Daiwa Securities Group, will be at least 2/3 of the total Company’s Stock with a purchase price per share that exceeds the Tender Offer price and (a) the Company has not breached its no-talk obligations and (b) the Company has received written opinion from legal counsel stating that failure to consider competing offer may reasonably be deemed to violate fiduciary duties considering amount of consideration to be received and whether the third party’s proposed business plan will contribute to improving corporate value, the Company shall notify the Offeror of its willingness or unwillingness to consider the competing offer within three business days following the date of the public notice of commencement or announcement, and the Offeror will be given the right to match the competing offer by the earlier of 11:59 pm on the day which is eight business days after the receipt of such notice or 4:00 PM on the business day before the end of the Tender Offer period. If the Offeror does not match the competing offer, the Company will have the right to terminate the CBA Agreement on the last day of the Tender Offer period and to enter into negotiations with the third party offeror.
- D. **Triangular Merger:** Company agrees to approve all necessary resolutions and enter into any necessary steps to effect the Triangular Merger.
- E. **Representations and warranties:** Customary representations and warranties given by each party

(valid incorporation, capacity, compliance with constitutional documents, enforceability, no insolvency, and anti-social forces, and for the Company only, no MNPI, accuracy of disclosure documents and ABC/Sanction related matters).

- F. Management policy after Squeeze Out: Acknowledgments by HK HoldCo around management of the Company after completion of the Transaction, including board composition and incentive plan.
- G. Termination: CBA Agreement may be terminated (a) by mutual consent of the parties, (b) if a party breaches any representations and warranties and certain obligations and, taken together, these breaches have a material adverse effect on completion of the Transaction, (c) if a party breaches any of its obligations in a material respect and fails to remedy within five days of notification, (d) if the Tender Offer is withdrawn or fails to close, or (e) if the Company has not breached its no-talk obligations, by the Company, in the event a competing tender offer is made but the Offeror does not match the competing offer.

2. Tender Support Agreement (Mr. Moriyama)

The Offeror has entered into the Tender Support Agreement (Mr. Moriyama) as of October 11, 2024 with Mr. Shigeru Moriyama upon implementation of the Tender Offer. The principal terms and conditions of the Tender Support Agreement (Mr. Moriyama) are as follows:

- A. Tender Offer: Mr. Moriyama (1,376,572 shares; ownership ratio: 2.68%) undertakes (a) to tender all of the Company's Stock owned by Mr. Moriyama in the Tender Offer no later than the last day of the Tender Offer period, (b) not to take any action which might disrupt the implementation of the Tender Offer, and (c) to vote in favour of the Tender Offer, Squeeze-Out and Triangular Merger.
- B. No Other Transfers: Mr. Moriyama shall not transfer any of the Company's Stock owned by Mr. Moriyama or create any encumbrances on the Company's Stock owned by Mr. Moriyama.
- C. No-talk: Undertaking from Mr. Moriyama not to initiate, solicit, or knowingly encourage a competing transaction.
- D. Support for Tender Offer: In any public statements related to the Tender Offer, Mr. Moriyama shall express its support for the Tender Offer and the Squeeze-Out, so long as consistent with the Opinion Representation Resolution, and Mr. Moriyama shall not make any public statements critical of the Tender Offer.
- E. Representations and warranties: Customary representations and warranties given by each party (valid incorporation (in the case of Offeror), capacity, approvals, anti-social forces, Sanction related matters, no MNPI and ownership of Shares).
- F. Termination: Tender Support Agreement (Mr. Moriyama) will terminate automatically if the

Tender Offer is not launched on or before 1 November 2024 or is withdrawn or fails to close, and the Agreement may be terminated by mutual written consent of the parties or by Mr. Moriyama if (a) the Company amends its Opinion Representation Resolution and no longer recommends the Tender Offer and (b) Mr. Moriyama has not breached its no-talk obligations.

3. Tender Support Agreement (Tsuyoshi Building)

The Offeror has entered into the Tender Support Agreement (Tsuyoshi Building) as of October 11, 2024 with Tsuyoshi Building Co. Ltd. upon implementation of the Tender Offer. The principal terms and conditions of the Tender Support Agreement (Tsuyoshi Building) are as follows:

- A. Tender Offer: Tsuyoshi Building (1,220,000 shares; ownership ratio: 2.38%) undertakes (a) to tender all of the Company's Stock owned by Tsuyoshi Building in the Tender Offer no later than the last day of the Tender Offer period, (b) not to take any action which might disrupt the implementation of the Tender Offer, and (c) to vote in favour of the Tender Offer, Squeeze-Out and Triangular Merger.
- B. No Other Transfers: Tsuyoshi Building shall not transfer any of the Company's Stock owned by Tsuyoshi Building or create any encumbrances on the Company's Stock owned by Tsuyoshi Building.
- C. No-talk: Undertaking from Tsuyoshi Building not to initiate, solicit, or knowingly encourage a competing transaction.
- D. Support for Tender Offer: In any public statements related to the Tender Offer, Tsuyoshi Building shall express its support for the Tender Offer and the Squeeze-Out, so long as consistent with the Opinion Representation Resolution, and Tsuyoshi Building shall not make any public statements critical of the Tender Offer.
- E. Representations and warranties: Customary representations and warranties given by each party (valid incorporation, capacity, approvals, anti-social forces, Sanction related matters, no MNPI and ownership of Shares).
- F. Termination: Tender Support Agreement (Tsuyoshi Building) will terminate automatically if the Tender Offer is not launched on or before 1 November 2024 or is withdrawn or fails to close, and the Agreement may be terminated by mutual written consent of the parties or by Tsuyoshi Building if (a) the Company amends its Opinion Representation Resolution and no longer recommends the Tender Offer and (b) Tsuyoshi Building has not breached its no-talk obligations.

4. Tender Support Agreement (Mr. Eguchi)

The Offeror has entered into the Tender Support Agreement (Mr. Eguchi) as of October 11, 2024 with Mr. Kazushi Eguchi upon implementation of the Tender Offer. The principal terms and conditions of the

Tender Support Agreement (Mr. Eguchi) are as follows:

- A. Tender Offer: Mr. Moriyama (504,524 shares; ownership ratio: 0.98%) undertakes (a) to tender all of the Company's Stock held by Mr. Moriyama in the Tender Offer no later than the last day of the Tender Offer period, (b) not to take any action which might disrupt the implementation of the Tender Offer, and (c) to vote in favour of the Tender Offer, Squeeze-Out and Triangular Merger.
- B. No Other Transfers: Mr. Moriyama shall not transfer any of the Company's Stock owned by Mr. Moriyama or create any encumbrances on the Company's Stock held by Mr. Moriyama.
- C. No-talk: Undertaking from Mr. Moriyama not to initiate, solicit, or knowingly encourage a competing transaction.
- D. Support for Tender Offer: In any public statements related to the Tender Offer, Mr. Moriyama shall express its support for the Tender Offer and the Squeeze-Out, so long as consistent with the Opinion Representation Resolution, and Mr. Moriyama shall not make any public statements critical of the Tender Offer.
- E. Representations and warranties: Customary representations and warranties given by each party (valid incorporation (in the case of Offeror), capacity, approvals, anti-social forces, Sanction related matters, no MNPI and ownership of Shares).
- F. Termination: Tender Support Agreement (Mr. Moriyama) will terminate automatically if the Tender Offer is not launched on or before 1 November 2024 or is withdrawn or fails to close, and the Agreement may be terminated by mutual written consent of the parties or by Mr. Moriyama if (a) the Company amends its Opinion Representation Resolution and no longer recommends the Tender Offer and (b) Mr. Moriyama has not breached its no-talk obligations.

5. Non-Tender Agreement

The Offeror, Daiwa Securities Group and Daiwa PI have entered into the Non-Tender Agreement as of October 11, 2024. The key terms of the Non-Tender Agreement are as follows:

- A. Tender Offer: Daiwa Securities (17,828,612 shares; ownership ratio: 34.75%) and Daiwa PI (1,250,000 shares; ownership ratio: 2.44%) each undertake not to tender any of their Shares in the Tender Offer, to support and facilitate the Tender Offer, and not to tender into or support any competing bid for the Company, save as expressly permitted under the Non-Tender Agreement.
- B. Daiwa PI: Daiwa PI agrees to transfer all of its shares in the Company to Daiwa Securities, subject to settlement of the Tender Offer, on a specified date after the Tender Offer period but prior to the Squeeze-Out.
- C. Appointment of Offeror nominees to Company Board: Daiwa Securities and Daiwa PI each

undertake to vote in favor of the appointment of Company nominees to the Board at a shareholder meeting of the Company to be held as soon as reasonably practicable on settlement of the Tender Offer.

- D. Cooperation for Shareholders' Meeting: If the Squeeze-Out is reasonably expected to occur prior to the date of the annual general shareholders' meeting of the Company for FY2024, Daiwa Securities, Daiwa PI, and Offeror undertake to cooperate (including by convening and extraordinary general shareholders' meeting of the Company) to delete the reference date (kijunbi) of the annual general shareholders' meeting of the Company from its articles of association.
- E. No-talk: Undertaking from Daiwa Securities and Daiwa PI not to initiate, solicit, or knowingly encourage a competing transaction.
- F. Competing Tender Offer: In the event of a written, fully financed (on certain fund terms) legally binding bid to acquire a minimum number of shares which, when combined with shares owned by Daiwa Securities, would be at least 2/3 of the total shares in the Company and (a) the purchase price per share exceeds the Tender Offer price by 10% or more (supported by reasonable valuation), (b) the offer is viable from a regulatory perspective and has a contemplated timeline to announcement of a tender offer of no later than ten business days after the last date on which the Offeror may make a matching offer (as set out below), (c) neither Daiwa Securities nor Daiwa PI has breached its no-talk obligations, and (d) Daiwa Securities received a written opinion from legal counsel that failure to consider the competing offer is reasonably likely to violate the Daiwa Securities' fiduciary duties, considering the tender offer price and whether the third party's proposed business plan is consistent with Daiwa Securities' growth strategy for its asset management business, Daiwa Securities will promptly notify the Offeror upon receipt, and will then notify the Offeror within five business days of receipt of the competing offer whether it is willing to consider such offer. The Offeror will be given the right to match the competing offer by the earlier of seven business days after the receipt of such notice or, if the end of the Tender Offer period is within seven business days, by 4:00 PM on the business day before the end of the Tender Offer period. If the Offeror does not match the competing offer, Daiwa Securities will have the right to terminate the Non-Tender Agreement on the last day of the Tender Offer period and to enter into negotiations with the third party offeror.
- G. Triangular Merger: Daiwa Securities, Daiwa PI, and Offeror agree to approve all necessary resolutions and enter into an complete all necessary steps to effect the Triangular Merger.
- H. Representations and warranties: Customary representations and warranties given by each party (valid incorporation, capacity, enforceability, compliance with constitutional documents, no insolvency, anti-social forces, Sanction related matters, no MNPI and ownership of Shares).
- I. Termination: Non-Tender Agreement may be terminated (a) by mutual consent of the parties,

(b) if the Tender Offer is withdrawn or fails to close, or (c) if neither Daiwa Securities nor Daiwa PI has breached its no-talk obligations in the event a competing offer is made but the Offeror does not match the competing offer.

4. Shareholders' Agreement (to be concluded)

The Offeror and Daiwa Securities Group have, as of October 11, 2024, agreed to enter into the Shareholders' Agreement upon completion of the Squeeze Out. The parties to the Shareholders Agreement generally agree on the following matters with regard to the Company after the Transactions:

- A. Shareholding split: approximately 62.82% by Offeror and 37.18% by Daiwa Securities Group.
- B. Reserved matters: the approval of each shareholder of the Company who holds at least 20% of the shares of the Company shall be required to approve certain reserved matters.
- C. Board composition and voting: the total number of directors shall be a up to 11, the chief executive officer shall be a director and have the right to appoint up to 2 other management as directors, the Offeror shall have the right to appoint up to 6 directors, and the Daiwa Securities Group shall have the right to appoint up to 2 directors. Each director has one vote and decisions of the board are to be made by simple majority vote.
- D. Pre-emption rights: new issuance of securities by the Company shall be subject to shareholders' pro rata pre-emption rights with over subscription rights.
- E. Transfer restrictions: transfers of shares of the Company by any shareholder shall be subject to a five-year lock-up; post lock-up period, transfers of shares are allowed but subject to the other shareholder's right of first offer and pro rata tag-along right; post lock-up period, in certain scenario of exit, the Offeror may require Daiwa Securities Group to together sell all of the shares of the Company.
- F. Compulsory transfer will apply to any shareholder who becomes insolvent or sanctioned or commits a material breach of the transfer provisions in the Shareholders' Agreement.

V. Matters Concerning Inappropriate Profits Received From the Offeror or its Specially Related Parties

Not applicable

VI. Policy for Responses Regarding Basic Policies on the Control of the Company

Not applicable

VII. Inquiries to the Offeror

Not applicable

VIII. Request for Extension of the Tender Offer Period

Not applicable

IX. Future Prospects

Please refer “2. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy” of “B. Grounds and Reasons for the Opinion”, “D. Prospects for Delisting and Reasons Therefor” and “E. Policy of Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)” of “III. Details of, and Grounds and Reasons for, the Opinion Regarding the Tender Offer” above.

X. Others

A. Announcement of "Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 (Based on Japanese GAAP)"

The Company has announced the "Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 (Based on Japanese GAAP)". For details, please see the announcement.

B. Announcement of "Notice Concerning Dividends of Surplus (No Dividend) and Discontinuation of Shareholder Benefits"

The Company resolved at the meeting of its board of directors held on today that subject to successful completion of the Tender Offer, it would revise the dividend forecast and not pay year-end dividends for the fiscal year ending December 31, 2024, the record date of which is set on December 31, 2024, and it would discontinue its shareholder benefits from the fiscal year ending December 31, 2024. For details, please see the "Notice Concerning Dividends of Surplus (No Dividend) and Discontinuation of Shareholder Benefits" announced by the Company on today.

End

(Ref.) as of October 11, 2024

Notice Concerning Commencement of Tender Offer for Stock of Samty Holdings Co., Ltd. (Securities Code: 187A) by Song Bidco G.K. (as attached)



October 11, 2024

To whom it may concern

Company Name: Samty Holdings Co., Ltd.
Representative: Yasuhiro Ogawa,
Representative Director and President
(Code 187A Price Market of the Tokyo Stock Exchange)
Contact: Izumi Jouzuka,
Head of IR Office, Corporate Planning Department
Tel: 03-5224-3139

Company Name: Song Bidco G.K.
Representative: Member Song Holdings G.K.
Executive Manager Colm John O'Connell

**Notice Concerning Commencement of Tender Offer for
Stock of Samty Holdings Co., Ltd. (Securities Code: 187A) by Song Bidco G.K.**

Song Bidco G.K. hereby announces that it has decided today to acquire the common stock of Samty Holdings Co., Ltd. through a tender offer as described in the attachment.

End

This disclosure material is published pursuant to Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act at the request of Song Bidco G.K. (the offeror) to Samty Holdings Co., Ltd. (the target of the tender offer).

(Attachment)

"Notice Concerning Commencement of Tender Offer for Stock of Samty Holdings Co., Ltd. (Securities Code: 187A)" dated October 11, 2024

"Hillhouse Announces Tender Offer to Acquire Samty Holdings" dated October 11, 2024

October 11, 2024

To whom it may concern

Company Name:	Song Bidco G.K.		
Representative:	Representative	Song Holdings G.K.	
	Member		
	Executive Manager	Colm John O'Connell	

Notice Concerning Commencement of Tender Offer for Stock of Samty Holdings Co., Ltd. (Securities Code: 187A)

Song Bidco G.K. (the "Offeror") hereby announces that it has decided today to acquire the common stock of Samty Holdings Co., Ltd. (the "Target" and the common stock of the Target is hereinafter referred to as the "Target' Stock"), which is listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "TSE"), through a tender offer (the "Tender Offer") pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") as described below.

1. Details of the Tender Offer

- (1) Name of the Target
Samty Holdings Co., Ltd.
- (2) Class of Shares, Etc. to be purchased
Common stock
- (3) Purchase period
From October 15, 2024 (Tuesday) until November 26, 2024 (Tuesday) (30 business days)
- (4) Purchase price
3,300 yen per share of common stock
- (5) Number of Shares, Etc. to be purchased

Number of tendered shares to be purchased	32,230,399 shares
Minimum number of tendered shares to be purchased	15,127,400 shares
Maximum number of tendered shares to be purchased	- shares
- (6) Settlement commencement date
December 3, 2024 (Tuesday)
- (7) Tender offer agent
Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

2. Outline of the Tender Offer

The Offeror is a limited liability company (*goudou gaisha*) established on September 13, 2024 for the principal purpose of holding all of the Target's Stock listed on the Prime Market of the TSE (excluding the treasury shares held by the Target and the Non-Tendered Shares (as defined below; hereinafter the same)) through the Tender Offer, and controlling and managing

the Target's business activities. As of today, all of the equity interests in the Offeror are held by Song Holdings G.K. (the "Offeror's Parent Company"), all of the equity interests in which are held by RS HCO Investment HK Holdings, Limited ("HK HoldCo"), all of the issued and outstanding shares of which are indirectly held by the fund managed, advised or operated by Hillhouse Investment Management, Ltd. (including its associated companies and other affiliated entities, "Hillhouse"). As of today, none of Hillhouse, HK HoldCo, the Offeror's Parent Company or the Offeror holds any Target's Stock.

Founded in 2005, Hillhouse is a global alternative investment manager dedicated to partnering with companies and management teams for the long term. With nearly two decades of experience, Hillhouse has grown to be a large alternative asset manager with a range of investment strategies that span public equities, private equity (across buyout, venture capital and growth strategies), private credit and real assets. Hillhouse aims to establish alignment with sustainable, forward-thinking companies across healthcare, business services, consumer, and industrial sectors, and to become an industry leader. Started in Singapore, the firm has an international team of + 450 professionals with investment and operational expertise from over 18 countries working in offices around the globe. The firm manages capital for global institutions, including non-profit foundations, endowments, and pensions.

In 2020, Hillhouse established a real asset strategy which is called Rava Partners (hereinafter, "Rava Partners") together with Rava Partners' senior management as a compliment to Hillhouse's broader platform. Rava Partners invests in real assets, partnering with business leaders to build the physical infrastructure that underpins Asia-Pacific's new economy. Rava Partners builds companies in growth sectors of Asia's real asset economy such as education, logistics / industrial, life sciences / healthcare and digital infrastructure. Since its launch, Rava Partners has committed more than US\$3.5 billion, on behalf of funds managed by Rava Partners and Hillhouse, in 16 real asset companies across the region.

As of today, HK HoldCo entered into a Capital and Business Alliance Agreement with the Target, and decided to (i) implement the Tender Offer for the Target's Stock, and (ii) if the Offeror fails to acquire all of the Target's Stock (excluding the treasury shares held by the Target and the Non-Tendered Shares) in the Tender Offer, implement the Tender Offer as part of a series of transactions to take the Target's Stock private (the "Transaction") by carrying out the Squeeze-Out Procedures (as defined below), in each case pursuant to the CBA Agreement.

In order to implement the Tender Offer, the Offeror entered into a tender agreement with Shigeru Moriyama ("Mr. Moriyama"), the third largest shareholder of the Target (number of shares held: 1,376,572 shares; Shareholding Ratio (Note 1): 2.68%), pursuant to which Mr. Moriyama agreed to tender all of its Target's Stock in the Tender Offer, with Tsuyoshi Building Co. Ltd. ("Tsuyoshi Building"), the sixth largest shareholder (number of shares held: 1,220,000 shares; Shareholding Ratio: 2.38%) pursuant to which Tsuyoshi Building agreed to tender all of its Target's Stock in the Tender Offer, and with Kazushi Eguchi ("Mr. Eguchi"), the ninth largest shareholder (number of shares held: 504,524 shares; Shareholding Ratio: 0.98%) pursuant to which Mr. Eguchi agreed to tender all of its Target's Stock in the Tender Offer (Mr. Moriyama, Tsuyoshi Building, and Mr. Eguchi are hereinafter collectively referred to as the "Prospective Tendering Shareholders") as of today, in which each of the Prospective Tendering Shareholders agreed to tender all of its Target's Stock (total number of shares held: 3,101,096 shares; total Shareholding Ratio: 6.04%) in the Tender Offer.

As of today, the Offeror also entered into a Non-Tender Cooperation Agreement with Daiwa Securities Group Inc. ("Daiwa Securities Group"), the largest shareholder of the Target (number of shares held: 17,828,612 shares; Shareholding Ratio: 34.75%), and Daiwa PI Partners Co. Ltd., the 5th largest shareholder of the Target ("Daiwa PI") (number of shares held: 1,250,000 shares; Shareholding Ratio: 2.44%) (Daiwa Securities Group and Daiwa PI being collectively the "Non-Tendering Shareholders"), in which each of the Non-Tendering Shareholders agreed that it would not tender any of its Target's

Stock (total number of shares held: 19,078,612 shares; total Shareholding Ratio: 37.18%) (collectively, the "Non-Tendered Shares") in the Tender Offer, and that a Triangular Merger (as defined below) would be effected between the Offeror and the Target after the Share Consolidation (as defined in "3. Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning the "two-step acquisition")" below; hereinafter the same) becomes effective.

In addition, after the Stock Consolidation becomes effective, the Offeror will enter into a shareholders' agreement with the Non-Tendering Shareholders governing the operation of the Target and the treatment of the Target's shares following the Transaction.

(Note 1) "Shareholding Ratio" refers to the ratio (rounded to two decimal places; hereinafter the same applies in the calculation of the Shareholding Ratio) to the number of shares (51,309,011 shares) obtained by deducting the number of treasury shares held by the Target as of August 31, 2024 (50 shares) from the total number of issued and outstanding shares as of the same date (51,309,061 shares), both as stated in the "Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 (Based on Japanese GAAP)" published by the Target on October 11, 2024 (the "Target's Summary Securities Report").

In the Tender Offer, the minimum number of tendered shares to be purchased has been set at 15,127,400 shares (Shareholding Ratio: 29.48%), and if the total number of the Shares, Etc. tendered in the Tender Offer (the "Tendered Shares") is less than the minimum number of tendered shares to be purchased (15,127,400 shares), the Offeror will not purchase any of the Tendered Shares. Meanwhile, with the intention of acquiring all of the Target's Stock (excluding the treasury shares held by the Target and the Non-Tendered Shares) in the Tender Offer and taking the Target's Stock private, the Offeror has not set the maximum number of tendered shares to be purchased in the Tender Offer, and if the total number of the Tendered Shares is no less than the minimum number of tendered shares to be purchased (15,127,400 shares), the Offeror will purchase all of the Tendered Shares. The minimum number of tendered shares to be purchased (15,127,400 shares) has been set according to the following formula:

Minimum number of tendered shares to be purchased (15,127,400 shares)

$$= \underbrace{\left(A \times \frac{2}{3} - B \right)}_{342,060 \text{ units (rounded to the nearest whole number)}} \times 100 \text{ shares (i.e. number of unit shares (tangen kabushiki))}$$

$$\underbrace{\hspace{10em}}_{151,274 \text{ units}}$$

Where:

A= Number of voting rights (513,090 units) pertaining to the number of shares (51,309,011 shares) obtained by deducting the number of treasury shares held by the Target as of August 31, 2024 (50 shares) from the total number of issued and outstanding shares of the Target as of August 31, 2024 (51,309,061 shares), both as stated in the Target's Summary Securities Report

B= Number of voting rights (190,786 units) pertaining to the number of Non-Tendered Shares (19,078,612 shares)

Such minimum number of tendered shares to be purchased has been set for the following reasons: (A) if the Offeror fails to acquire all shares of the Target's Stock (excluding the treasury shares held by the Target and the Non-Tendered Shares) in the course of the Tender Offer, the Offeror would request the Target to conduct a series of procedures to make the Offeror and the Non-Tendering Shareholders the sole shareholders of the Target and to have the Target's Stock go private (the "Squeeze-Out

Procedures"), as described in "3. Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below, (B) the Share Consolidation as the Squeeze-Out Procedures requires a special resolution of the shareholders' meeting, as provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"), and therefore, (C) in order to ensure the implementation of such procedures, it is necessary that the sum of the number of voting rights in the Target held by the Offeror and the number of voting rights in the Target pertaining to the Non-Tendered Shares after the completion of the Tender Offer exceeds two-thirds (2/3) of the number of voting rights held by all shareholders of the Target.

The Offeror intends to fund the settlement of the Tender Offer by receiving a provision of up to 110,000,000,000 yen in funds from the Offeror's Parent Company (the "Parent's Contribution") upon consummation of the Tender Offer and, subject to the consummation of the Tender Offer, intends to receive the Parent's Contribution no later than the business day immediately prior to the settlement commencement date of the Tender Offer.

The Transaction consists of (1) the Tender Offer, (2) if the Tender Offer is consummated and the Offeror could not acquire all of the Target's Stock (excluding the treasury shares held by the Target and the Non-Tendered Shares), limiting the Target's shareholders to the Offeror and the Daiwa Securities Group (Note 2) through the Share Consolidation conducted by the Target, and (3) subject to the effectuation of the Share Consolidation, an absorption-type merger in which the Offeror is the company surviving the absorption-type merger and the Target is the company absorbed in the absorption-type merger (the Non-Tendering Shareholders, who are the Target's shareholders, will acquire equity interests in the Offeror's Parent Company as consideration for such absorption-type merger; such absorption-type merger being the "Triangular Merger").

(Note 2) After the consummation of the Tender Offer and prior to the implementation of the Share Consolidation, Daiwa PI plans to transfer all of the Target's Stock held by Daiwa PI (number of shares held: 1,250,000 shares, Shareholding Ratio: 2.44%) to Daiwa Securities Group, its wholly-owning parent company. As a result, the Daiwa Securities Group will own all of the Non-Tendered Shares (Total number of shares held: 19,078,612 shares, total Shareholding Ratio: 37.18%) at the time of the implementation of the Share Consolidation.

To maintain a capital relationship with the Target and maximize the Target's corporate value, the Daiwa Securities Group will continue to be involved in the operation of the Target after the consummation of the Tender Offer and will continue to own the equity of the Offeror's Parent Company after the completion of the Transaction. The Triangular Merger will be implemented for the purpose of the Daiwa Securities Group acquiring equity interests in the Offeror's Parent Company. In determining the merger ratio of the Triangular Merger, in order to ensure the principle of equality of the tender offer price (Article 27-2, Paragraph 3 of the Act), the Target's Stock has been valued at a price not higher than the purchase price in the Tender Offer (the "Tender Offer Price"), and as a result, the ratio of the Daiwa Securities Group's equity interests in the Offeror's Parent Company after the Triangular Merger will be set at a ratio not exceeding their Shareholding Ratio in the Target.

3. Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")

As described in "2. Outline of the Tender Offer" above, if the Offeror is unable to acquire all shares of the Target's Stock (excluding the treasury shares held by the Target and the Non-Tendered Shares) by the Tender Offer, the Offeror plans to implement the Squeeze-Out Procedures for the purpose of making the Offeror and Daiwa Securities Group the sole shareholders of the Target and taking the Target's Stock private, by the following method after the consummation of the Tender Offer.

Specifically, promptly after the completion of the settlement of the Tender Offer, the Offeror plans to request the Target, to hold an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") by late January 2025, at which the

items for resolution shall include the implementation of consolidation of the shares of the Target's Stock (the "Share Consolidation") pursuant to Article 180 of the Companies Act, and on condition that the Share Consolidation takes effect, partial amendment of the articles of incorporation to abolish the provision concerning share units. The Offeror believes that it is desirable to hold the Extraordinary Shareholders' Meeting as early as possible from the perspective of enhancing the Target's corporate value, and plans to request that the Target make a public announcement of the record date for the Extraordinary Shareholders' Meeting so that the date closely following the commencement of settlement of the Tender Offer (as of today, it is scheduled to be in early December 2024) will be the record date for the Extraordinary Shareholders' Meeting (the date of the Extraordinary Shareholders' Meeting is yet to be determined as of today, but the announcement of record date may be made during the tender offer period). According to the "Announcement of Support for Song Bidco G.K.'s Tender Offer for Our Shares and Recommendation to Tender Our Shares" published by the Target on October 11, 2024, the Target plans to comply with such request if it receives such request from the Offeror. The Offeror and Non-Tendering Shareholders (Note 3) plan to vote in favor of each of the above proposals at the Extraordinary Shareholders' Meeting.

(Note 3) After the consummation of the Tender Offer and prior to the implementation of the Share Consolidation, Daiwa PI plans to transfer all of the Target's Stock held by it (number of shares held: 1,250,000 shares, Shareholding Ratio: 2.44%) to Daiwa Securities Group, its wholly-owning parent company.

If the proposal for the Share Consolidation is approved, then on the date on which the Share Consolidation takes effect, the Target's shareholders will hold the shares of the Target's Stock in the number corresponding to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. If any fraction of a share less than one share is generated from the Share Consolidation, an amount of money obtained by selling to the Target or the Offeror the shares of Target's Stock equivalent to the total number of such fractional shares (any fractional shares less than one share created by aggregating those fractional shares shall be discarded; the same applies hereinafter) shall be delivered to the Target's shareholders for whom a fraction of less than one share is generated, in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations.

With respect to the sale price of the shares of the Target's Stock equivalent to such total number of fractional shares, it is scheduled that this price shall be set in such a way so that, as a result of selling these shares, the amount of money to be delivered to the shareholders of the Target who did not tender in the Tender Offer (excluding the Offeror, Daiwa Securities Group, and the Target) shall be the same as the price that shall be obtained by multiplying the Tender Offer Price by the number of the shares of the Target's Stock held by such shareholders. After the above process, the Offeror intends to request the Target to file a petition to obtain permission for voluntary sale to the court. In addition, although the ratio of the Share Consolidation has not yet been determined as of today, the Offeror plans to request to determine the number of the shares of the Target's Stock held by the Target's shareholders who did not tender in the Tender Offer (excluding the Offeror, Daiwa Securities Group, and the Target) to be a fraction of less than one share, so that the Offeror will hold all of the issued shares of the Target's Stock (excluding treasury shares and Non-tendered Shares held by the Target). The Target plans to promptly announce the specific procedures for the consolidation of shares after the decision has been made through discussions between the Offeror and the Target.

The provisions of the Companies Act that protect the rights of the minority shareholders in connection with the Share Consolidation stipulate that when fractional shares of less than one share are created as a result of the Share Consolidation, the Target's shareholders (excluding the Offeror, Daiwa Securities Group, and the Target) may request the Target to purchase all fractional shares that they hold at a fair price and that they may file with the court a petition to determine the price of the shares of the Target's Stock pursuant to Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations.

As described above, in the Share Consolidation, the number of shares of the Target's Stock held by the Target's shareholders

who did not tender their shares in the Tender Offer (excluding the Offeror, Daiwa Securities Group, and the Target) is expected to be fractions of less than one share, and therefore, the Target's shareholders who oppose to the Share Consolidation (excluding the Offeror, Daiwa Securities Group, and the Target) may file the above petition. If such petition is filed, the purchase price of the shares of the Target's Stock will ultimately be determined by the court.

In respect of the restricted stock compensation (the "Restricted Stock") granted to the Target's directors (excluding outside directors and directors who are audit and supervisory committee members), executive officers, and the executive officers of Samty Co., Ltd., a wholly owned subsidiary of the Target (the "Executive Officers"), the allotment agreement for the Restricted Stock provides that: (a) if, during the transfer restriction period, matters regarding the consolidation of shares (limited to cases where such consolidation of shares results in the allottee of the Restricted Stock holding only a fraction of less than one share of the Restricted Stock) is approved in the Target's shareholders meeting (limited, however, to cases where the effective date of the consolidation of shares comes before the end of the transfer restriction period), in accordance with a resolution of the board of directors of the Target, for the number of shares of the Restricted Stock obtained by dividing the number of months from June 2024 (March 2024 for the Executive Officers) to the month that includes the date of the relevant approval (the "Squeeze-Out Approval Date") by 10 (13 for the Executive Officers)(if the division results in a number greater than 1, the number shall be 1), multiplied by the number of shares of the Restricted Stock held by the allottee of the Restricted Stock on the Squeeze-out Approval Date (if the calculation results in a fraction of less than one share, any such fraction shall be rounded down), the transfer restriction will be lifted as of the time immediately before the effective date of the consolidation of shares; and (b) in the case of (a) above, the Target shall acquire, without consideration, on the business day preceding the effective date of such consolidation of shares, all of the Restricted Stock for which the restriction on transfer has not been lifted as of the same day. In the procedures for the Stock Consolidation, in accordance with the provisions of (a) of the above allotment agreement, the Restricted Stock for which the transfer restriction is lifted immediately before the business day immediately preceding the effective date of the Stock Consolidation will be subject to the Stock Consolidation, and in accordance with the provisions of (b) of the above allotment agreement, the Target plans to acquire without consideration the Restricted Stock for which the transfer restriction is not lifted as of the business day immediately preceding the effective date of the Stock Consolidation

With respect to the above procedures, the method and timing of implementation may change, depending on the situations such as amendments, effectuation, and interpretation by the authorities of relevant laws and regulations. Even in such case, the method of finally delivering money to the Target's shareholders who did not tender in the Tender Offer (excluding the Offeror, Daiwa Securities Group, and the Target) will be adopted, and in such case, the amount of money to be delivered to each such shareholder will be calculated to be equal to the Tender Offer Price multiplied by the number of the shares of the Target's Stock held by each such shareholder.

If it is expected that the Stock Consolidation will be completed by March 31, 2025, the Offeror will request that the Target make a partial amendment to its articles of incorporation to abolish the provisions regarding the record date for the exercise of voting rights at the Target's annual general meeting of shareholders scheduled to be held in late March 2025 for the fiscal year ending December 2024 (the "Annual General Meeting of Shareholders"), on the condition that the Stock Consolidation is completed, so that only shareholders who will be entitled to exercise their rights at the Annual General Meeting of Shareholders will be the shareholders after the completion of the Stock Consolidation. As a result, shareholders who are recorded or registered in the Target's shareholder register as of December 31, 2024 may not be able to exercise their rights at the Annual General Meeting of Shareholders.

The Target will promptly announce the specific procedures and timing of implementation in the above cases as soon as they are determined upon discussion between the Offeror and the Target. The Tender Offer is not a solicitation for the Target's shareholders to vote in favor of the proposals at the Extraordinary Shareholders' Meeting. The shareholders of the Target are

requested to confirm with professionals, such as tax accountants, at their responsibility concerning tax treatment for tendering in the Tender Offer or in the procedures above.

As described in "2. Outline of the Tender Offer" above, the Offeror plans to implement the Triangular Merger after the implementation of the Squeeze-Out Procedures.

4. Possibility of delisting and reason therefor

The Target's Stock is listed on the Prime Market of the TSE as of today, however, the Offeror has not set the maximum number of tendered shares to be purchased in the Tender Offer, and therefore, the Target's Stock may be delisted through the prescribed procedures in accordance with the TSE's criteria for delisting depending on the results of the Tender Offer.

Also, even if such criteria are not met as at the time of completion of the procedures of the Tender Offer, the Squeeze-Out Procedures described in "3. Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" above are to be implemented after the consummation of the Tender Offer, the TSE's delisting criteria will be met and the Target's Stock will be delisted through the prescribed procedures. After the delisting of the Target's Stock, the shares of the Target's Stock may no longer be traded on the Prime Market of the TSE.

End

【Restrictions on Solicitation】

This press release is a press release to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting sales. When applying for the offer to sell, please make sure to read the Tender Offer Explanatory Statement regarding the Tender Offer and apply for the offer at your own discretion. This press release does not constitute or form part of any offer or invitation to sell or solicitation of any offer to buy any securities, nor shall this press release (or any part thereof) or the fact of its distribution form the basis of any agreement relating to the Tender Offer, nor may it be relied upon in entering into any such agreement.

【U.S. Regulations】

The Tender Offer is for the acquisition of the Target's Stock. The Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed by the Financial Instruments and Exchange Act of Japan, which may differ from the procedures and information disclosure standards in the United States. In particular, the provisions of Article 13 (e) or Article 14 (d) of the U.S. Securities Exchange Act of 1934 (as amended; hereinafter the same) and the related rules stipulated thereunder do not apply to the Tender Offer, and the Tender Offer is not carried out in compliance with these procedures and standards. The financial information included in this press release is based on accounting principles in Japan, which may differ materially from generally accepted accounting principles in the U.S. or in other countries. In addition, since the Offeror is a corporation incorporated outside the U.S. and all or some of its officers are not U.S. residents, it may be difficult to exercise rights or demands arising under U.S. securities related laws based on U.S. securities related laws. It may not be able to bring legal proceedings against a non-U.S. entity or its officers in a court outside of the U.S. for violation of U.S. securities related laws. Furthermore, non-U.S. entities and their subsidiaries and affiliates may not be subject to U.S. jurisdiction.

The Offeror and the Target's respective financial advisors and tender offer agents (including their affiliates) may, to the extent undertaken in the ordinary course of their businesses and to the extent permitted by the Japanese laws and regulations pertaining to financial instruments and exchange, and in accordance with the requirements of Article 14e-5(b) of the regulations under the Securities Exchange Act (Securities Exchange Act of 1934) purchase the Target's Stock for their own account or for the account of customers before the commencement of the Tender Offer or during the tender offer period, make purchases by means other than the Tender Offer, or take other actions toward such purchases. If information pertaining to such purchase is disclosed in Japan, the said information will also be disclosed on the English website of the purchaser (or by other means of disclosure).

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

This press release includes "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933 (Securities Act of 1933; as amended) and Section 21E of the Securities Exchange Act (Securities Exchange Act of 1934). The results may significantly differ from those explicitly or implicitly indicated as "forward-looking statements" due to known or unknown risks, or uncertainties, or other causes. Neither the Offeror nor any of its affiliates can provide assurance that such results explicitly or implicitly indicated as "forward-looking statements" will be realized. The "forward-looking statements" in this press release were prepared based on the information held by the Offeror as of the date of this press release, and unless required by laws and regulations or financial instruments exchange rules, the Offeror and its affiliates are not obliged to change and/or modify such statements in order to reflect any event or condition in the future.

If a shareholder exercises the right to demand purchase of shares amounting to less than one unit pursuant to the Companies Act, the Target may purchase its shares during the tender offer period in accordance with statutory procedures.

【Other Countries】

Certain countries or regions may impose legal restrictions on the announcement, publication, or distribution of this press release. In such cases, please be aware of and comply with those restrictions. This shall not constitute a solicitation of an offer to purchase or an offer to sell shares in connection with the Tender Offer, and shall be deemed to be merely the distribution of materials as information.

Hillhouse Announces Tender Offer to Acquire Samty Holdings

October 11, 2024, Tokyo – Hillhouse Investment Management, Ltd., together with Rava Partners (Hillhouse’s dedicated real assets strategy) and other affiliated entities (together “Hillhouse”), today announced they are undertaking a Tender Offer (the “Tender Offer”) through Song Bidco G.K. (the “Offeror”) to acquire the common shares of Samty Holdings Limited (Securities Code 187A, “Samty Holdings”). The Tender Offer purchase period will commence October 15, 2024, and conclude November 26, 2024.

Hillhouse has launched a Tender Offer for 3,300 JPY per share, implying a 100% equity value of Samty Holdings of 169 billion JPY. The Tender Offer represents 14.1% premium over Samty Holdings’ highest-ever publicly traded share price and the implied equity value represents 1.4 times book value. Hillhouse has committed equity capital from internal resources to fully fund the transaction which is not conditional on any debt financing. We believe the Tender Offer provides a very attractive opportunity for Samty Holdings shareholders to capture significant value and monetize in the near-term well above the current share price.

The board of directors of Samty Holdings supports the Tender Offer and recommends that Samty Holdings’ shareholders tender their shares in the Tender Offer by also referring to Special Committee’s opinion. In addition, Samty Holdings’ largest shareholder Daiwa Securities Group Inc. (“Daiwa Securities Group”) and Daiwa PI Partners Co., Ltd., owning 37.18% in total, has entered into a non-tendering cooperation agreement with the Offeror in connection with the Tender Offer. Daiwa Securities Group will continue to be a shareholder and will support growth of Samty Holdings to maximize its corporate value together with Hillhouse.

Samty Holdings, through its subsidiary Samty, has been developing, operating and managing real estate assets throughout Japan as a fast-growing developer since 1982. Aligned with its long-term strategy to capture future growth opportunities and

enhance corporate value, Samty Holdings has selected Hillhouse as its strategic partner given Hillhouse's extensive expertise in long-term asset management, experience in the real estate sector, robust investment track record and commitment to developing high-quality businesses.

Follow the closing, Hillhouse intends to support Samty Holdings by (a) strengthening Samty Holdings' asset management business leveraging Hillhouse's fundraising capabilities and global investor network, (b) improving capital efficiency through establishing a series of development and core funds, (c) implementing measures to optimize corporate value and governance, and (d) introducing strategic investment opportunities in Japan and overseas that will contribute to Samty Holdings' long-term transformation. Some of these initiatives are not without risks and Hillhouse believes the strategy is best executed in a private setting as capital needs and earnings can be volatile.

Michael Yi, Hillhouse's Co-Chief Investment Officer, added: "We are excited about this strategic partnership and believe that our expertise, particularly in building asset management businesses, can help Samty Holdings reach its future goals. We look forward to collaborating with Samty Holdings' exceptional management team to help strengthen their leadership in the Japanese market and drive long-term growth."

Joe Gagnon, Hillhouse Partner and Co-head of Rava Partners, noted, "Samty Holdings boasts a strong portfolio of high-quality multi-family residential and hotel properties along with a proven track record of developing and managing these assets. We are thrilled to support the company's growth, drawing on our experience in transforming developers into asset managers."

Hillhouse Senior Advisor Jiro Seguchi highlighted "I have seen Hillhouse invest into Japan over the last 15 years, beginning with public equity and now, more recently, with private

equity. This important investment underscores their long-term commitment to this market – helping Japanese corporates grow locally and compete globally.”

Yasuhiro Ogawa, CEO of Samty Holdings, expressed enthusiasm about the transaction stating, "In order to further promote future sustainable growth, we intend to make a major shift in our business model. We hope to transition from a capital gains-dependent business model to one focused on sustainable income, utilizing strategic M&A to enhance and streamline Samty Holdings’ operations. As a final goal, the company aims to transform its business model through the process of going private. With the Japanese housing sector booming, the company aims to strengthen its position in this field and expand its fund management business nationwide. In particular, in the field of apartment buildings, we welcome Hillhouse's expertise and financial support to move to the next stage of growth. This change in business model is an important step towards the sustainable growth that we are aiming for. By going private, we seek greater flexibility to establish this new profit model, ultimately enhancing long-term corporate value for our investors."

Akihiko Ogino, President and CEO of Daiwa Securities Group Inc., said, “We are focused on bolstering our real estate asset management business to have more resilient and stable earnings that are less susceptible to external factors. This transaction is a pivotal step for Samty Holdings to shift its profit structure and business model from that of a traditional developer to a recurring model centered on stable income gains. This transformation will enable Samty Holdings to achieve sustainable growth and further accelerate its progress. This deal aligns with Daiwa Securities Group’s medium-term strategic management plans, making this an important deal for us.”

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., is the lead financial advisor for the transaction. Deutsche Bank and JPMorgan Securities Japan Co., Ltd. are the co-financial advisors.

About Hillhouse

Founded nearly two decades ago with initial funding from the Yale University Endowment, Hillhouse Investment Management (“Hillhouse”) is one of the world’s largest global private alternative asset managers. The firm invests on behalf of leading institutional clients worldwide, including university endowments, foundations, and sovereign wealth funds across the Americas, Europe, Asia and the Middle East. Our goal is to establish alignment and build sustainable, forward-thinking companies that create lasting value for all stakeholders. Hillhouse offers a diverse range of investment strategies, including Buyout, Real Assets (Rava Partners), and Private Credit (Elham Credit). Starting from its first office in Singapore, Hillhouse today boasts an international team of over 450 professionals from more than 18 countries, with other offices in New York, London, Mumbai, Hong Kong, Amsterdam, Sydney, Shanghai, and Beijing. The firm has a proven track record of completing sophisticated multi-billion-dollar transactions in more than 30 countries worldwide. For more information, visit www.hillhouseinvestment.com

About Rava Partners

Rava Partners serves as Hillhouse’s dedicated real assets strategy to collaborate with business leaders and invest in real assets to build the physical infrastructure that will support the Asia-Pacific region. The Rava Partners strategy is to execute investments in the growth sectors of Asia's economies: education, logistics and industrials, hospitality, life sciences and healthcare, digital infrastructure, and other assets. Since its launch, Rava Partners has committed more than US\$3.5 billion, on behalf of funds managed by Rava Partners and Hillhouse, in 16 real estate companies across the region. For more information, visit www.ravapartners.com

About Daiwa Securities Group Inc.



The Daiwa Securities Group Inc. is a holding company of Daiwa Securities Group. The Daiwa Securities Group has a strong domestic base with a network of 182 branches (Daiwa Securities) throughout Japan, and a global network centered on offices in 23 countries and regions around the world, with the wealth management, asset management, and GM&IB divisions at its core. Daiwa Securities Group contribute to “maximizing the value of our customers' assets” by providing the best and most appropriate high-quality solutions tailored to our customers' circumstances and the economic environment. For more information, visit <https://www.daiwa-grp.jp/>

For inquiries regarding this matter, please contact

Hillhouse Investment Public Relations Representative:

Edelman Smithfield Japan

Otsubo / Sato / Shimo

Phone: 080-1333-7332 / 070-1345-3692

Email: EJKKFinComm@edelmansmithfield.com

Daiwa Securities Group Inc.

Corporate Communication Department

Email: press@daiwa.co.jp