

[Translation]

November 20, 2020

To whom it may concern:

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**Notice Concerning Amendment to "Notice Concerning Commencement of Tender Offer for Share Certificates of Shimachu Co., Ltd. (Securities Code: 8184), and Execution of Management Integration Agreement with Shimachu Co., Ltd." and Amendment to Tender Offer Commencement Public Notice, Associated with Submission of Amendment to Tender Offer Registration Statement**

As published in "Notice Concerning Commencement of Tender Offer for Share Certificates of Shimachu Co., Ltd. (Securities Code: 8184), and Execution of Management Integration Agreement with Shimachu Co., Ltd." dated November 13, 2020 (the "Press Release Dated November 13, 2020"), Nitoni Holdings Co., Ltd. (the "Company") has commenced a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "Act") for all of the shares of the common stock of Shimachu Co., Ltd. (securities code: 8184, First Section of Tokyo Stock Exchange, Inc.; the "Target") (the "Target Shares") (excluding the Target Shares owned by the Company and the treasury shares owned by the Target) from November 16, 2020.

Today, the Company filed an Amendment to the Tender Offer Registration Statement for the Tender Offer to the Director General of the Kanto Local Finance Bureau in accordance with Article 27-8, Paragraph 2 of the Act, in order to amend the description in the Tender Offer Registration Statement and its exhibit, the tender offer commencement public notice dated November 16, 2020 (the "Tender Offer Commencement Public Notice Dated November 16, 2020"), due to the occurrence of matters that require certain amendments to the description, including the Company's receipt of a "Notice to the Effect that Cease and Desist Order Will not be Issued" dated November 17, 2020 and a "Notice of Shortening of Non-acquisition Period" dated November 17, 2020 from Japan Fair Trade Commission on November 18, 2020, regarding the acquisition of the Target Shares through the Tender Offer.

Accordingly, the Company hereby amends the content of the Press Release Dated November 13, 2020 and the Tender Offer Commencement Public Notice Dated November 16, 2020 as below.

Amended words are underlined.

**A. Amendments to the Press Release Dated November 13, 2020**

Preamble  
(Before Amendment)

(Omitted)

With respect to the acquisition of the Target Shares through the Tender Offer (the "Share Acquisition"), the Company filed a Prior Notification (as defined in "(II) Conditions for withdrawal of the Tender Offer, detail of such conditions and method of disclosure of withdrawal" under "(9) Other conditions and methods of purchase" under "2. Outline of Tender Offer" under "I. Tender Offer" below) with the Fair Trade Commission of Japan ("JFTC") as of October 27, 2020, and the relevant Prior Notification was accepted on the same day. Considering the substance of the consultation between the Company and the JFTC regarding the Prior Notification that took place between the date of acceptance of the notification and the date of this Press Release, the Company has determined that all of the following are reasonably expected: (i) the expiration of the Non-acquisition Period and the Period for Measures on or before the day preceding the last day of the Tender Offer Period; (ii) no issuance of a Prior Notice of Cease and Desist Order (as defined in "(II) Conditions for withdrawal of the Tender Offer, detail of such conditions and method of disclosure of withdrawal" under "(9) Other conditions and methods of purchase" under "2. Outline of Tender Offer" under "I. Tender Offer" below); and (iii) non receipt of any urgent temporary suspension order from the court. Thus, the Company has confirmed the satisfaction of Condition (I) above, and has also confirmed the satisfaction of Conditions (II) and (III) above (Regarding Condition (III) above, in DCM Holdings Tender Offer Commencement Press Release, the tender offer period under DCM Holdings Tender Offer is stated as the period starting from October 5, 2020 (Monday) and ending on November 16, 2020 (Monday)).

(Omitted)

(After Amendment)

(Omitted)

With respect to the acquisition of the Target Shares through the Tender Offer (the "Share Acquisition"), the Company filed a Prior Notification (as defined in "(II) Conditions for withdrawal of the Tender Offer, detail of such conditions and method of disclosure of withdrawal" under "(9) Other conditions and methods of purchase" under "2. Outline of Tender Offer" under "I. Tender Offer" below) with the Fair Trade Commission of Japan ("JFTC") as of October 27, 2020, and the relevant Prior Notification was accepted on the same day. Considering the substance of the consultation between the Company and the JFTC regarding the Prior Notification that took place between the date of acceptance of the notification and the date of this Press Release, the Company has determined that all of the following are reasonably expected: (i) the expiration of the Non-acquisition Period and the Period for Measures on or before the day preceding the last day of the Tender Offer Period; (ii) no issuance of a Prior Notice of Cease and Desist Order (as defined in "(II) Conditions for withdrawal of the Tender Offer, detail of such conditions and method of disclosure of withdrawal" under "(9) Other conditions and methods of purchase" under "2. Outline of Tender Offer" under "I. Tender Offer" below); and (iii) non receipt of any urgent temporary suspension order from the court. Thus, the Company has confirmed the satisfaction of Condition (I) above, and has also confirmed the satisfaction of Conditions (II) and (III) above (Regarding Condition (III) above, in DCM Holdings Tender Offer Commencement Press Release, the original tender offer period under DCM Holdings Tender Offer is stated as the period starting from October 5, 2020 (Monday) and ending on November 16, 2020 (Monday)). DCM Holdings filed an Amendment to the Tender Offer Registration Statement to the Director General of the Kanto Local Finance Bureau as of November 16, 2020, and the tender offer period under DCM Holdings Tender Offer has

been changed to the period starting from October 5, 2020 (Monday) and ending on December 1, 2020 (Tuesday).

(Omitted)

I. Tender Offer

1. Purpose of Tender Offer

(1) Outline of the Tender Offer  
(Before Amendment)

(Omitted)

Also, according to the "Announcement of Opinion Regarding Tender Offer for the Companys Shares by Nitori Holdings Co., Ltd., and Execution of Management Integration Agreement with Nitori Holdings Co., Ltd." published by the Target on November 13, 2020 (the "Targets Announcement Press Release (Nitori Holdings)"), the Target has approved at the meeting of the Targets board of directors that took place on November 13, 2020 the execution of the Management Integration Agreement, and has (i) decided to agree with the Tender Offer, and to recommend the Targets shareholders to tender in the Tender Offer, as well as (ii) decided to withdraw the announced approval to, and the opinion recommending to tender in, the DCM Holdings Tender Offer, by the resolution of the Targets board of directors that took place on October 2, 2020. For more information about the decision of the Targets board of directors, please refer to the Targets Announcement Press Release (Nitori Holdings) and "(IV) Process of and grounds for decision-making by the Target" under "(2) Background and reasons to the decision to implement the Tender Offer" below. As of the date of this Press Release, the Company does not have a full understanding of the progress at the Target (including the Target Special Committee) in considering the Management Integration yet, therefore the Company plans to submit an Amendment to the Tender Offer Registration Statement for the Tender Offer to Director-General of the Kanto Local Finance Bureau, in which such progress of consideration is described, promptly after it obtains such full understanding. After the Company submits the Amendment to Director-General of the Kanto Local Finance Bureau, it will promptly announce the content.

(After Amendment)

(Omitted)

Also, according to the "Announcement of Opinion Regarding Tender Offer for the Companys Shares by Nitori Holdings Co., Ltd., and Execution of Management Integration Agreement with Nitori Holdings Co., Ltd." published by the Target on November 13, 2020 (the "Targets Announcement Press Release (Nitori Holdings)"), the Target has approved at the meeting of the Targets board of directors that took place on November 13, 2020 the execution of the Management Integration Agreement, and has (i) decided to agree with the Tender Offer, and to recommend the Targets shareholders to tender in the Tender Offer, as well as (ii) decided to withdraw the announced approval to, and the opinion recommending to tender in, the DCM Holdings Tender Offer, by the resolution of the Targets board of directors that took place on October 2, 2020. For more information about the decision of the Targets board of directors, please refer to the Targets Announcement Press Release (Nitori Holdings) and "(IV) Process of and grounds for decision-making by the Target" under "(2) Background and reasons to the decision to implement the Tender Offer" below.

(2) Background and reasons to the decision to implement the Tender Offer  
(Before Amendment)

(Omitted)

(III) Reasons why the Company is implementing the Tender Offer  
(Omitted)

The Company has learned from the Target's Announcement Press Release (DCM Holdings) that DCM Holdings made a detailed proposal for the management integration to the Target, that DCM Holdings would commence DCM Holdings Tender Offer as a means of management integration through making the Target a wholly-owned subsidiary of DCM Holdings and that the tender offer period of DCM Holdings Tender Offer would end on November 16, 2020. In addition, in the Target's Announcement Press Release (DCM Holdings), it is stated that the Target has commenced setting up a structure independent from DCM Holdings, the Target and DCM Holdings Tender Offer, to examine and determine the pros and cons for DCM Holdings Tender Offer, the appropriateness of its transaction terms and fairness of the procedures. Specifically, the Target has established the Target Special Committee comprised of independent outside directors of the Target and consulted with such committee regarding I and II below.

(Omitted)

Therefore, the Company has made preparations for the publication of the Company's Press Release Dated October 29 since October 2, 2020, in order to make concrete proposals to the Target for the management integration. In DCM Holdings Tender Offer Commencement Press Release, the tender offer period of DCM Holdings Tender Offer is stated as the period starting from October 5, 2020 (Monday) and ending on November 16, 2020 (Monday). In order to avoid a situation where DCM Holdings Tender Offer is completed before the commencement of the Tender Offer, the Company has decided to announce the planned commencement of the Tender Offer on October 29, 2020. Furthermore, the Company believes that it is important to ensure the transparency and fairness of the procedures of the Tender Offer for shareholders of the Target given that DCM Holdings Tender Offer is ongoing. Thus, the Company has not held any discussion with the Target since the meeting between the Company and the Target held in September 28, 2020 until the release of the Company's Press Release Dated October 29.

(Omitted)

(IV) Process of and grounds for decision-making by the Target

According to the Target's Announcement Press Release (Nitori Holdings), the Target has approved at the Target's board of directors took place on November 13, 2020 the execution of the Management Integration Agreement, and has (i) decided to agree with the Tender Offer, and to recommend the Target's shareholders to tender in the Tender Offer, as well as (ii) decided to withdraw the announced approval to, and the opinion recommending to tender in, the DCM Holdings Tender Offer, by the resolution of the Target's board of directors took place on October 2, 2020. For more information about the decision of the Target's board of directors, please refer to the Target's Announcement Press Release (Nitori Holdings).

As of the date of this Press Release, the Company does not have a full understanding of the progress at the Target (including the Target Special Committee) in considering the Management Integration yet. Therefore the Company plans to submit an Amendment to the Tender Offer Registration Statement for the Tender Offer to Director-General of the Kanto Local Finance Bureau, in which such progress of consideration is described, promptly after it obtains such full understanding. After the Company submits the Amendment to Director-General of the Kanto Local Finance Bureau, it will promptly announce the content.

(After Amendment)

(Omitted)

(III) Reasons why the Company is implementing the Tender Offer

(Omitted)

The Company has learned from the Target's Announcement Press Release (DCM Holdings) that DCM Holdings made a detailed proposal for the management integration to the Target, that DCM Holdings would commence DCM Holdings Tender Offer as a means of management integration through making the Target a wholly-owned subsidiary of DCM Holdings and that the tender offer period of DCM Holdings Tender Offer would end on November 16, 2020. DCM Holdings filed an Amendment to the Tender Offer Registration Statement to the Director General of the Kanto Local Finance Bureau as of November 16, 2020, and the tender offer period under DCM Holdings Tender Offer has been changed to the period starting from October 5, 2020 (Monday) and ending on December 1, 2020 (Tuesday). In addition, in the Target's Announcement Press Release (DCM Holdings), it is stated that the Target has commenced setting up a structure independent from DCM Holdings, the Target and DCM Holdings Tender Offer, to examine and determine the pros and cons for DCM Holdings Tender Offer, the appropriateness of its transaction terms and fairness of the procedures. Specifically, the Target has established the Target Special Committee comprised of independent outside directors of the Target and consulted with such committee regarding I and II below.

(Omitted)

Therefore, the Company has made preparations for the publication of the Company's Press Release Dated October 29 since October 2, 2020, in order to make concrete proposals to the Target for the management integration. In DCM Holdings Tender Offer Commencement Press Release, the tender offer period of DCM Holdings Tender Offer was stated as the period starting from October 5, 2020 (Monday) and ending on November 16, 2020 (Monday). In order to avoid a situation where DCM Holdings Tender Offer is completed before the commencement of the Tender Offer, the Company has decided to announce the planned commencement of the Tender Offer on October 29, 2020. DCM Holdings filed an Amendment to the Tender Offer Registration Statement to the Director General of the Kanto Local Finance Bureau as of November 16, 2020, and the tender offer period under DCM Holdings Tender Offer has been changed to the period starting from October 5, 2020 (Monday) and ending on December 1, 2020 (Tuesday). Furthermore, the Company believes that it is important to ensure the transparency and fairness of the procedures of the Tender Offer for shareholders of the Target given that DCM Holdings Tender Offer is ongoing. Thus, the Company has not held any discussion with the Target since the meeting between the Company and the Target held in September 28, 2020 until the release of the Company's Press Release Dated October 29.

(Omitted)

(IV) Process of and grounds for decision-making by the Target

Meanwhile, according to the Target's Announcement Press Release (Nitori Holdings), the Target has been engaged in the sale of furniture since its establishment in November 1969 as Shimachu Furniture Co., Ltd., and since expanding into the home center business in April 1978, has been engaged in that business. Also, in May 1979, the Target changed its company name from Shimachu Furniture Co., Ltd. to Shimachu Co., Ltd. It listed on the Second Section of the Tokyo Stock Exchange in 1982, and was designated on the First Section of the Tokyo Stock Exchange in 1991. Thereafter, under the business philosophy of aiming at building stores that are full of satisfaction, surprise and smiles to give customers a "special everyday," the Target has opened stores chiefly in the metropolitan areas of Saitama, Tokyo and Kanagawa. As of August 2020, the Target operates 60 stores to provide as much "convenience" as possible to local customers, and satisfy their needs

concerning their homes and lifestyles.

The Target recognizes that the slow recovery the Japanese economy had been displaying as a result of the economic and financial measures taken by the Japanese government while being faced with US-China trade frictions, Brexit and other instabilities in the international area, has suffered serious setback from the softening of consumer interest after the consumption tax hike. In particular, it is aware that the outlook for the Japanese economy is becoming increasingly uncertain, partly due to fears of a rapid recession in the future, as economic activities both within and outside of Japan have been curtailed due to the novel coronavirus (COVID-19) pandemic. The Target acknowledges that the retail business continues to experience increasing rapid changes due to changes of consumer behavior due to increased lifestyle choices available to their customers, and intensifying competition across industry classifications. In addition, according to "Changes in Total Annual Sales and Number of Home Centers (Estimates)" by the Japan DIY · HC Association, while the Japanese home center business market has matured and has not shown much growth since 2000, there has been a slow but steady increase in the number of home centers throughout Japan, resulting in a steep decline in sales and productivity per store and a decrease in profitability. The Target is aware that e-commerce and individual transactions of used goods are also accelerating consumption outside of physical retail stores, forcing companies to be more responsive to changes.

Under such circumstances, the Target believes that in order to boost sales that have been sluggish, it is of utmost importance to entice customers to visit its stores. To increase the number of visitors, the Target has been renovating existing stores, installing tenants, expanding into new businesses by joining a franchise, and taking other measures to conform to the needs of the local community.

In 2018, the Target implemented a new medium-term business plan to promote structural reform including development of stores and businesses, reformation of cost structures and improvement of management infrastructure. While the plan is showing a certain amount of success such as increase in the number of customers at existing stores, the Target is burdened by a higher cost of sales ratio compared to its competitors in the home center business, and must embark on a drastic reformation of its profit structure in order to secure growth in high-rent, high-labor cost metropolitan areas.

In addition, the Target acknowledges that, to enhance purchasing power by increasing the scale of business and to launch and expand more profitable private brand (PB) products is one of the key measures in order for the Target to radically improve its profitability. However, the Targets sales of PB products are smaller than that of LIXIL VIVA CORPORATION (PB product sales of approximately JPY 45.7 billion) and Konan Shoji Co., Ltd. (PB product sales of approximately JPY 98.2 billion), both of which disclose their PB product sales and for this reason, the Target recognizes enhancement of its environment for product innovation to be a critical issue. With the home center industry becoming increasingly oligopolistic given the fact that the top nine (9) sales companies in the home center industry such as DCM Holdings, Cainz Corporation, KOMERI Co., Ltd., etc. account for 62.1% of the sales in the home center industry (approximately JPY 3,798.8 billion) (Note), and while such competitors with top sales are making cost improvements taking advantage of economies of scale, the Target recognizes that there are constraints on the measures that could be implemented on its own without expanding the scale of its operations, such as reducing procurement costs through bulk and large-scale purchases of products, fixtures and equipment, and further reducing costs from within its existing

distribution networks.

Against this backdrop, the Target has been carefully considering strategic business alliance, and the possibility of M&A as part of such alliance, to increase the Targets corporate value by improving its profitability.

(Note) Source: Please refer to page 8 of Diamond Home Center Industry Handbook (2019 edition).

In the process of that consideration, as stated in the Targets Announcement Press Release (DCM Holdings), the Target was approached by DCM Holdings in mid-June 2020 regarding DCM Holdings making the Target its wholly-owned subsidiary through a tender offer and both companies engaging in a business alliance and management integration, following which the Target began discussions with DCM Holdings. In addition to conducting due diligence on the Target, from late July, 2020, DCM Holdings and the Target held multiple discussions and examinations regarding the significance and purpose of the management integration, post-management integration management policies, creation of synergies through the management integration and other matters.

As a result, in early September 2020, DCM Holdings and the Target reached a common understanding regarding the synergies to be expected from the management integration of the companies, and following that, DCM Holdings and the Target held multiple discussions on the transaction terms and conditions, such as the purchase price per Target Share in the DCM Holdings Tender Offer, and on the content of the management integration agreement between the companies.

Following those discussions, as stated in the Targets Announcement Press Release (DCM Holdings), DCM Holdings resolved at the meeting of its board of directors held on October 2, 2020 to conduct the DCM Holdings Tender Offer with a purchase price of JPY 4,200 per Target Share as part of the series of transactions for the purpose of making the Target a wholly-owned subsidiary of DCM Holdings and delisting the Target Shares (the “DCM Transactions”). In response to that, the Target resolved at the meeting of its board of directors held on the same day to express an opinion supporting the DCM Holdings Tender Offer and recommending its shareholders to tender shares in the DCM Holdings Tender Offer.

Because the Target was approached in mid-June 2020 by DCM Holdings regarding a management integration between the companies as stated above, later in the same month the Target retained Nomura Securities Co., Ltd. (hereinafter, “Nomura Securities”) as the Target’s financial advisor independent from DCM Holdings and the Target and from the DCM Transactions and Mori Hamada & Matsumoto as the Target’s legal advisor independent from DCM Holdings and the Target and from the DCM Transactions. Additionally, while the DCM Transactions do not fall under transactions with a controlling shareholder, from the standpoint of taking abundant caution in guaranteeing the fairness of the transactions, by a resolution of the meeting of the board of directors held on June 22, 2020, the Target established the Target Special Committee comprised of four members (three after the resignation of Mr. Tajima), being Mr. Hikari Imai (Independent Outside Director of the Target; former Vice-Chairman of Merrill Lynch Japan Securities Co., Ltd.), Mr. Yasushi Kubomura, (Independent Outside Director of the Target; attorney-at-law and the managing partner of Kubomura Law Office), Mr. Kouji Tajima (Independent Outside Director of the Target; tax accountant and the managing partner of Kouji Tajima Tax Accountant Office; Mr. Tajima resigned from his positions on September 4, 2020 due to

his death on the same date), and Mr. Hidehiko Nishikawa (Independent Outside Director of the Target; Professor of the Faculty of Business Administration and Graduate School of Business Administration of Hosei University), and received a findings report on the DCM Transactions from the Target Special Committee on October 2, 2020.

Further, although the DCM Holdings Tender Offer was commenced as planned on October 5, 2020, the Company announced on October 29, 2020 its plan to conduct the Tender Offer, and the Target received from the Company an “Opinion Statement on Management Integration” regarding the Tender Offer. Therefore, the Target decided to begin considering the Company’s proposals, which include transactions for the purpose of making the Target its wholly-owned subsidiary through the Tender Offer and a series of the procedures to be taken thereafter (the “Transactions”), and in order to ensure fairness and take the utmost care in regard to that consideration, the meeting of the board of directors held on that day requested the Target Special Committee to submit its opinion in regard to the matters I and II below (the “Consulted Matters”), which are the same matters as in regard to the DCM Transactions.

I. (a) To consider and determine the appropriateness of the Transactions, including the Tender Offer, from the perspective of whether or not they will contribute to the enhancement of the Target’s corporate value, and (b) to consider whether or not the board of directors of the Target should express its support of the Tender Offer and whether or not to recommend that the shareholders of the Target tender their shares in the Tender Offer, and to make a recommendation to the board of directors of the Target, in examination and determination of the appropriateness of the terms and conditions of the Transactions and the fairness of the procedures, from the perspective of promoting the interests of the general shareholders of the Target.

II. To consider whether the following decisions on the Transactions, including the Tender Offer, made by the board of directors of the Target is not detrimental to the general shareholders of the Target, and to state its opinion to the board of directors of the Target: (i) a decision to express its opinion to support the Tender Offer and recommend that the Target’s shareholders tender their shares in the Tender Offer, and (ii) a decision on the procedures for making the Target a wholly-owned subsidiary through a demand for sale of shares or a share consolidation, etc., to be implemented after the Tender Offer as part of the Transactions.

In addition, in the same way as with the DCM Transactions, the Target’s Board of Directors has determined that decisions regarding the Transactions, including approval or disapproval of the Tender Offer, shall be made by the board of directors of the Target, in utmost respect of the judgment of the Target Special Committee, and that if the Target Special Committee determines that the implementation of the Tender Offer or the terms and conditions of the transaction are not appropriate, the board of directors of the Target shall not express its support of the Tender Offer. Furthermore, the Target’s Board of Directors has confirmed that authority, etc. regarding negotiations with the Company is the same as in the DCM Transactions, meaning that it authorizes the Target Special Committee to (i) substantially participate in the process of negotiation between the Target and the Company (including, as necessary, giving instructions or requests regarding the negotiation policy with the Company and negotiating with the Company on its own); (ii) in reporting on the Consulted Matters, appoint its own financial and legal advisors at the Target’s expense, or to designate or approve (including post-approval) the Target’s



advisors regarding the Target's financial or legal matters, as necessary; (iii) receive, as necessary, information from directors and employees of the Target that is required for them to review and make decisions regarding the Transactions; and (iv) grant authority over any other matters deemed necessary by the Target Special Committee for the consideration and determination of the Transactions.

The Target Special Committee has again, in relation to the Transactions, confirmed the level of independence, expertise, and past results, etc. of Nomura Securities, the Target's financial advisor and third-party valuation organization, Mori Hamada & Matsumoto, the Target's legal advisor, and Plutus Consulting Co. , Ltd. (hereinafter, "Plutus"), the Target Special Committee's financial advisor and third-party valuation organization.

On October 29, 2020, the Target received a proposal from the Company regarding the terms and conditions of the Transactions, including setting the Tender Offer Price at JPY 5,500; accordingly, the Target held a meeting of its board of directors on that day, began deliberating on the Transactions, and has subsequently engaged in repeated discussions and negotiations with the Company regarding the terms and conditions of the Transactions, including the Tender Offer Price.

Specifically, the Target considered that proposal taking into account advice from Nomura Securities and Mori Hamada & Matsumoto and confirmed the opinion of the Target Special Committee, following which it held a meeting with the Company on November 1, 2020, at which the Target received explanations from the Company regarding the significance of the Transactions, the terms and conditions of the Transactions including the Tender Offer Price, the synergies that can arise from the Transactions, and other such matters and engaged in questions and answers regarding these matters with the Company. Taking the results of the meeting into account, the board of directors met on the same day and deliberated.

In addition, based on the above discussions between the Target and the Company, the views of the Targets management on the proposal of the Company, and the advice from Nomura Securities and Mori Hamada & Matsumoto, etc., the Target Special Committee held a meeting with the Company on November 4, and received explanations from the Company on the significance of the Transactions, the terms and conditions of the Tender Offer and the management policies after the Tender Offer. In addition to these matters, the Target Special Committee conducted a question-and-answer session with the Company on the business alliance to realize the synergy to be created through the Transactions and the management system of the Target, etc., and based on the results thereof, discussed with the Targets management. Moreover, taking the results of that meeting into consideration, the Target held the meeting of its board of directors on November 5, and deliberated on the benefits and disadvantages of the Transactions and the content of the Management Integration Agreement taking into account matters such as the results of the discussions between the Target Special Committee and the Company stated above, following which, on November 6, it held discussions with the Company regarding the content of the Management Integration Agreement, while following the advice from Mori Hamada & Matsumoto. On November 7, the Target Special Committee considered the content of the Management Integration Agreement taking into account matters such as the results of discussions with the Company, and on November 8, the Target held a meeting of its board of directors at which it deliberated on the content of the Management Integration Agreement and the Transactions. Following that, on November 9, 2020, the Target's management and the Target Special Committee held a meeting with the Company and

again engaged in discussions regarding matters such as the synergies to be created through the Transactions and the content of the Management Integration Agreement. As a result, the Target and the Company reached a common understanding that (i) the synergies described in “(1) Overview of the Tender Offer” above can be expected to be achieved through the Management Integration, (ii) after the Company makes the Target a subsidiary through the Tender Offer, measures should be promptly taken to quickly achieve those synergies, and (iii) a management integration agreement that provides for matters such as a business alliance between the two companies and the management systems of the Target after the Tender Offer should be executed in order to achieve those synergies.

On November 9, 2020, the Target Special Committee sent a letter to DCM Holdings asking whether or not it plans to increase the purchase price in the DCM Holdings Tender Offer to the Tender Offer Price or above, and if it does, what the specific price would be; however, as of November 12, 2020, DCM Holdings has not indicated any plan to change the purchase price in the DCM Holdings Tender Offer or such specific price .

The minimum planned purchase quantity in the Tender Offer is set at 19,477,600 shares (ownership ratio: 50.00%), but in regard to setting the minimum not as a two-thirds ownership ratio but rather a majority (equivalent to 50.00%), as stated in the Targets Announcement Press Release (DCM Holdings), the Target verified the reasonableness of the minimum planned purchase quantity in the Tender Offer by, among other things, receiving a report from an outside advisor regarding the percentage of shares in the Target Shares that are considered to be held under the policy of not tendering in a tender offer regardless of the appropriateness of the terms of the transaction, including shares held in passive index funds.

On November 13, 2020, the Target received a report (the “Findings Report”) from the Target Special Committee stating that (1) it considers that the board of directors of the Target should support the Tender Offer and recommend that the shareholders of the Target tender their shares in the Tender Offer; and (2) it considers that the following decisions on the Transactions, including the Tender Offer, made by the board of directors of the Target are not detrimental to the general shareholders of the Target: (i) decision to express its opinion to support the Tender Offer and recommend that the Targets shareholders tender their shares in the Tender Offer, and (ii) decision on the procedures for making the Target a wholly-owned subsidiary through a demand for sale of shares or a share consolidation, etc., to be implemented after the Tender Offer as part of the Transactions. Additionally, the Findings Report also states an opinion that the Target Special Committee considers that the Target’s Board of Directors should withhold its opinion in regard to whether or not it supports the DCM Holdings Tender Offer and whether or not it recommends that the Target’s shareholders tender their shares in the DCM Holdings Tender Offer.

In addition to the Findings Report, the Target has received from the Target Special Committee a share valuation report regarding the results of the valuation of the Target Shares, which was submitted by Plutus on November 12, 2020 (the “Share Valuation Report (Plutus)”), and a fairness opinion (the “Fairness Opinion”) to the effect that the Tender Offer Price of JPY 5,500 per share is fair to the general shareholders of the Target from a financial point of view.

Under the process described above, taking into account the legal advice received from Mori Hamada & Matsumoto, the advice from a financial perspective received from Nomura Securities, and the share valuation report regarding the results of the valuation of

the Target Shares submitted on October 1, 2020 (the “Share Valuation Report (Nomura)”), as well as the Share Valuation Report (Plutus) and the Fairness Opinion submitted through the Target Special Committee, and in utmost respect of the judgment of the Target Special Committee presented in the Findings Report, at the meeting of the board of directors of the Target held on November 13, 2020 carefully discussed and deliberated on whether or not the Transactions, including the Tender Offer, would contribute to the enhancement of the Targets corporate value, and whether or not the terms and conditions of the Transactions, including the Tender Offer Price and those to be agreed upon in the Management Integration Agreement, are appropriate.

As a result, the Target has also concluded that in the Transactions, the execution of the Management Integration upon conclusion of the Management Integration Agreement, which sets forth the business alliance between the Company and the Target and other frameworks regarding the business operations of both companies after the Management Integration, will enable the creation of the synergies described above in “(1) Overview of the Tender Offer” while maintaining the Target’s identity, such as its trade name and brand, and will contribute to the enhancement of the Target’s corporate value.

As stated in the Targets Announcement Press Release (DCM Holdings), in regard to the DCM Transactions as well, the Target determined that it could expect synergies due to the complementary nature of the two companies’ businesses. In particular, the DCM Holdings Group has many existing PB products in the home center field, and the Target expected that sharing those products would greatly contribute to expanding the Target’s sales and improving its profit margin, and that those effects could be achieved in a short period of time.

In contrast, as the Company has not focused on the home center business up until now, at present, the Target acknowledges that it does not have many PB products in the home center field. However, the Target believes that the Company does possess functions and know-how that it cultivated in its unique business model as a “Manufacturing, Logistics, IT and Retail Sales” business (functions and know-how relating to the vertically-integrated supply chain of the Company, through which it established functions for everything from product planning to manufacturing, distribution, and sales), and that in the mid- to long-term, by utilizing those functions and know-how, it will be possible to enhance its environment, expand its sales, and improve its profit margin for product development including PB products, which the Target has set as an issue to address, in addition to which it will be possible to achieve greater and further-reaching synergies such as not only reducing procurement costs through economies of scale, but also reducing costs and improving customer satisfaction by utilizing the centrally-managed logistics functions of the Company Group (including existing logistics bases and distribution networks as well as systems for total management from when a customer places an order until delivery is complete), expanding sales opportunities by utilizing online sales (e-commerce) foundations of the Company Group (which has JPY 44.3 billion in annual sales) and jointly implementing measures, and expanding opportunities to open stores using the store development capabilities of the Company Group, which has strong capabilities for gathering information on store candidates, designing stores, and the like. Additionally, as a result of repeated discussions with the Company, on the basis that there is differentiation between the two companies’ furniture brands in regard to price range and customer preferences and that the Target’s brand will take a leading role in the home center field, the Target has confirmed that the Company intends to maintain both companies’ brands and to expand business nationwide and overseas using the Target’s brand through the

Target utilizing the business base of the Company; accordingly, the Target has determined that in the mid- to long-term, the potential to expand the Target's business is greater with the Transactions and that it is possible to further increase the Target's corporate value thereby.

The Target also determined from the following points, etc. that the Tender Offer Price (JPY 5,500 per share) was an appropriate price that ensured the benefit that should be received by the Target's general shareholders and that the Target's general shareholders are being provided with a reasonable opportunity to sell the Target Shares with an appropriate premium.

I. The Tender Offer Price is significantly greater than the purchaser price in the DCM Holdings' Tender Offer (JPY 4,200 per share). (Additionally, the Target and the Target Special Committee asked DMC Holdings whether or not it planned to increase the purchase price in the DCM Holdings' Tender Offer to the Tender Offer Price or above, and if it does, what the specific price would be, but as of November 12, 2020, DCM Holdings had not expressed any plan to change the purchase price in the DCM Holdings' Tender Offer or what the specific price would be.

II. The Tender Offer Price is a price that considerably exceeds the upper limit of the valuation range of the market stock price method, the upper limit of the valuation range of the comparable company analysis method, and the upper limit of the valuation range of the DCF method out of the valuation results of the Target Shares by Nomura Securities in the Share Valuation Report (Nomura).

III. The Tender Offer Price is a price that considerably exceeds the upper limit of the valuation range of the market stock price method, the upper limit of the valuation range of the comparable company analysis method, and the upper limit of the valuation range of the DCF method out of the valuation results of the Target Shares by Plutus in the Share Valuation Report (Plutus). Regarding the Tender Offer Price, the Fairness Opinion was received from Plutus to the effect that the Tender Offer Price is fair to the Target's minority shareholders.

IV. The Tender Offer Price has a premium of 91.10% (rounded to two decimal places; hereinafter the same in the premium figures (%) in this item) compared to the closing price of the Target Shares of JPY 2,878 on the First Section of Tokyo Stock Exchange on September 18, 2020 (the day on which some news media reported the speculation about the DCM Holdings' Tender Offer after the trading hours of the stock market on the same date), a premium of 88.10% over the simple average closing price of JPY 2,924 (rounded to the nearest yen; hereinafter the same in calculating the simple average closing price in this item) for the one month prior to September 18, 2020, a 86.76% premium over the simple average closing price of JPY 2,945 for the three months prior to the same date, and a 93.05% over the simple average closing price of JPY 2,849 for the six months prior to the same date.

V. The Tender Offer Price is found to be reasonable in the findings report obtained from the Target Special Committee.

The Target resolved at the meeting of its board of directors stated above to retract its

opinion announced on October 2, 2020 in regard to the DCM Holdings Tender Offer (i.e., its opinion supporting the DCM Holdings Tender Offer and recommending its shareholders to tender shares in the DCM Holdings Tender Offer) and to withhold its opinion regarding whether or not it supports the DCM Holdings Tender Offer and whether or not it recommends its shareholders to tender shares in the DCM Holdings Tender Offer. For details, please see the "Announcement of Amended Opinion Regarding Tender Offer for the Company's Shares by DCM Holdings Co., Ltd." released by the Target on November 13, 2020.

(9) Other conditions and methods of purchase

(II) Conditions for withdrawal of the Tender Offer, detail of such conditions and method of disclosure of withdrawal

(Before Amendment)

Upon occurrence of any of the matters as provided in Article 14(1)(i)(a) through (i) and (l) through (s), (iii)(a) through (h) and (j), (iv) and Article 14(2)(iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the ("Enforcement Order")), the Tender Offer may be withdrawn.

For the purpose of the Tender Offer, "the matters equivalent to those listed in (a) through (r)" as provided in Article 14(1)(i)(s) of the Enforcement Order refer to (i) the case where a decision-making body for the execution of business of the Target (a) has resolved to distribute dividends of surplus with a record date preceding the commencement date of settlement for the Tender Offer (except where the amount of money or other properties to be distributed to shareholders is estimated to be less than the amount equivalent to 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year (18,158 million yen (Note))) or has resolved to submit to the Targets shareholders meeting a proposal to make such a distribution of surplus, or (b) has resolved to distribute dividends of surplus with a record date preceding the commencement date of settlement for the Tender Offer without showing the specific amount of dividends of surplus, leaving a possibility of making a distribution of dividends in an amount exceeding 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year and (ii) the case where a decision-making body for the execution of business of the Target has resolved to acquire treasury shares (except where the amount of money or other properties to be delivered in exchange for the acquisition of the shares is estimated to be less than the amount equivalent to 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year (18,158 million yen)) or has resolved to submit to the Targets shareholders meeting a proposal for such acquisition of treasury shares. In addition, for the purpose of the Tender Offer, "the facts equivalent to those listed in (a) through (i)" as provided in Article 14(1)(iii)(j) of the Enforcement Order refer to the case where any of the statutory disclosure documents filed by the Target in the past is found to contain any false statement with respect to any material matter or omit to state any material matter required to be stated.

(Note) Assuming that there has been no change in the total number of issued shares and the number of treasury shares, this threshold is equivalent to a dividend per share of 467 yen (Specifically, this amount has been calculated by dividing (x) 18,158 million yen, or 10% of the net assets of 181,584 million yen (any fraction less than 1 million yen being rounded down) as of August 31, 2020 as stated in the Earnings Briefing by (y) the number of shares (38,955,287 shares) obtained by deducting the number of treasury shares owned by the Target as of August 31, 2020

(3,653,817 shares) from the total number of issued shares of the Target as of August 31, 2020 (42,609,104 shares), both as stated in the Earnings Briefing, with fractions of 1 yen in the calculation result rounded up to the nearest yen.).

In addition, pursuant to Article 10, Paragraph 2 of the Antitrust Act, the Company is required to file a plan for the the Share Acquisition with the JFTC in advance (such filing is hereinafter referred to as the "Prior Notification"), and may not acquire the Shares in principle until 30 days (or a shorter period as allowed in certain cases) have passed from the date of acceptance of the Prior Notification (such period during which the acquisition of shares is prohibited is hereinafter referred to as the "Non-acquisition Period") in accordance with Paragraph 8 of the Article.

Article 10, Paragraph 1 of the Antitrust Act prohibits the acquisition of shares in another company that would substantially restrain competition in any particular field of trade, and the JFTC may order the necessary measures to eliminate acts in violation of this provision (Article 17-2, item 1 of the Antitrust Act; the "Cease and Desist Order") or may file petition for an emergency suspension order with the courts (Article 70-4, item 1 of the Antitrust Act; the "Petition for an Urgent Temporary Suspension Order "). If the JFTC intends to issue the Cease and Desist Order when the Prior Notification mentioned above is made, the JFTC must hear the opinions of a person who should be addressee of the Cease and Desist Order (Article 49 of the Antitrust Act), and when hearing the opinions, the JFTC must notify a person who should be addressee of the contents of the scheduled Cease and Desist Order (Article 50, Paragraph 1 of the Antitrust Act; the "Prior Notice of Cease and Desist Order"). A Prior Notice of Cease and Desist Order relating to share acquisition must be given within a certain period (in principle, within 30 days of the date of receipt of the Prior Notification, but this period may be extended or shortened; the "Period for Measures") (Article 10, Paragraph 9 of the Antitrust Act). If the JFTC decides not to give the Prior Notification of the Cease and Desist Order, it shall give notice to that effect (the "Notice to the Effect that Cease and Desist Order Will not be Issued") (Article 9 of Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (The Fair Trade Commission Rule No. 1 of 1953)).

The Company made a Prior Notification regarding the Share Acquisition to the JFTC as of October 27, 2020 and the relevant Prior Notification was accepted on the same day. Accordingly, the Non-acquisition Period and the Period for Measures will expire upon the passage of November 26, 2020, in principle. As of today, the Company has received neither Prior Notification of the Cease and Desist Order nor the Notice to the Effect that Cease and Desist Order Will not be Issued from the JFTC.

With respect to the Companys Prior Notification to the JFTC pursuant to the provisions of Article 10, Paragraph 2 of the Antitrust Act by the day before the expiration of the Tender Offer Period (including extension thereof), the Company may withdraw the Tender Offer, etc. if: (a) the Company receives from the JFTC the Prior Notice of Cease and Desist Order ordering the disposition of all or part of the shares of the Target, the transfer of a part of its business or any other equivalent disposition; (b) the Period for Measures for which the Prior Notice of Cease and Desist Order should be given under the Antitrust Act does not expire; or (c) the Company receives a Petition for an Urgent Suspension Order from the court as a person engaging in an act suspected of violating the provisions of Article 10, Paragraph 1 of the Antitrust Act, and if it has failed to obtain the "Permission, etc." prescribed in Article 14, Paragraph 1, item 4 of the Enforcement Order. If Period for

Measures ends without the Prior Notice of Cease and Desist Order and the request for a report, etc. under Article 10, Paragraph 9 of the Antitrust Act from the JFTC, or if the Company receives a Notice to the Effect that Cease and Desist Order Will not be Issued from the JFTC, the Company shall immediately submit an amendment to the Tender Offer Notification to the Director-General of the Kanto Local Finance Bureau in accordance with Article 27, Paragraph 8, item 2 of the Act.

(Omitted)

(After Amendment)

Upon occurrence of any of the matters as provided in Article 14(1)(i)(a) through (i) and (l) through (s), (iii)(a) through (h) and (j), and Article 14(2)(iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the ("Enforcement Order")), the Tender Offer may be withdrawn.

For the purpose of the Tender Offer, "the matters equivalent to those listed in (a) through (r)" as provided in Article 14(1)(i)(s) of the Enforcement Order refer to (i) the case where a decision-making body for the execution of business of the Target (a) has resolved to distribute dividends of surplus with a record date preceding the commencement date of settlement for the Tender Offer (except where the amount of money or other properties to be distributed to shareholders is estimated to be less than the amount equivalent to 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year (18,158 million yen (Note))) or has resolved to submit to the Targets shareholders meeting a proposal to make such a distribution of surplus, or (b) has resolved to distribute dividends of surplus with a record date preceding the commencement date of settlement for the Tender Offer without showing the specific amount of dividends of surplus, leaving a possibility of making a distribution of dividends in an amount exceeding 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year and (ii) the case where a decision-making body for the execution of business of the Target has resolved to acquire treasury shares (except where the amount of money or other properties to be delivered in exchange for the acquisition of the shares is estimated to be less than the amount equivalent to 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year (18,158 million yen)) or has resolved to submit to the Targets shareholders meeting a proposal for such acquisition of treasury shares. In addition, for the purpose of the Tender Offer, "the facts equivalent to those listed in (a) through (i)" as provided in Article 14(1)(iii)(j) of the Enforcement Order refer to the case where any of the statutory disclosure documents filed by the Target in the past is found to contain any false statement with respect to any material matter or omit to state any material matter required to be stated.

(Note) Assuming that there has been no change in the total number of issued shares and the number of treasury shares, this threshold is equivalent to a dividend per share of 467 yen (Specifically, this amount has been calculated by dividing (x) 18,158 million yen, or 10% of the net assets of 181,584 million yen (any fraction less than 1 million yen being rounded down) as of August 31, 2020 as stated in the Earnings Briefing by (y) the number of shares (38,955,287 shares) obtained by deducting the number of treasury shares owned by the Target as of August 31, 2020 (3,653,817 shares) from the total number of issued shares of the Target as of August 31, 2020 (42,609,104 shares), both as stated in the Earnings Briefing, with fractions of 1 yen in the calculation result rounded up to the nearest yen.).

In addition, pursuant to Article 10, Paragraph 2 of the Antitrust Act, the Company is

required to file a plan for the the Share Acquisition with the JFTC in advance (such filling is hereinafter refered to as the "Prior Notification"), and may not acquire the Shares in principle until 30 days (or a shorter period as allowed in certain cases) have passed from the date of acceptance of the Prior Notification (such period during which the acquisition of shares is prohibited is hereinafter refered to as the "Non-acquisition Period") in accordance with Paragraph 8 of the Article.

Article 10, Paragraph 1 of the Antitrust Act prohibits the acquisition of shares in another company that would substantially restrain competition in any particular field of trade, and the JFTC may order the necessary measures to eliminate acts in violation of this provision (Article 17-2, item 1 of the Antitrust Act; the "Cease and Desist Order") or may file petition for an emergency suspension order with the courts (Article 70-4, item 1 of the Antitrust Act; the "Petition for an Urgent Temporary Suspension Order "). If the JFTC intends to issue the Cease and Desist Order when the Prior Notification mentioned above is made, the JFTC must hear the opinions of a person who should be addressee of the Cease and Desist Order (Article 49 of the Antitrust Act), and when hearing the opinions, the JFTC must notify a person who should be addressee of the contents of the scheduled Cease and Desist Order (Article 50, Paragraph 1 of the Antitrust Act; the "Prior Notice of Cease and Desist Order"). A Prior Notice of Cease and Desist Order relating to share acquisition must be given within a certain period (in principle, within 30 days of the date of receipt of the Prior Notification, but this period may be extended or shortened; the "Period for Measures") (Article 10, Paragraph 9 of the Antitrust Act).

If the JFTC decides not to give the Prior Notification of the Cease and Desist Order, it shall give notice to that effect (the "Notice to the Effect that Cease and Desist Order Will not be Issued") (Article 9 of Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (The Fair Trade Commission Rule No. 1 of 1953)).

The Company made a Prior Notification regarding the Share Acquisition to the JFTC as of October 27, 2020 and the relevant Prior Notification was accepted on the same day. Thereafter, the Company received a "Notice to the Effect that Cease and Desist Order Will not be Issued" dated November 17, 2020 from the JFTC in relation to the Share Acquisition on November 18, 2020, and accordingly, the Period for Measures has expired as of November 17, 2020. Further, the Company received a "Notice of Shortening of Non-acquisition Period" dated November 17, 2020 from the JFTC on November 18, 2020, which stated that it has shortened the Non-acquisition Period from thirty days to twenty-one days, and accordingly, the Non-acquisition Period has expired upon the passage of November 17, 2020.

(Omitted)

## B. Amendments to the Tender Offer Commencement Public Notice Dated November 16, 2020

### 2. Detail of the Tender Offer

(11) Other conditions and methods of purchase

(ii) Conditions for withdrawal of the Tender Offer, detail of such conditions and method of disclosure of withdrawal

(Before Amendment)

Upon occurrence of any of the matters as provided in Article 14(1)(i)(a) through (i) and (l)



through (s), (iii)(a) through (h) and (j), (iv) and Article 14(2)(iii) through (vi) of the Enforcement Order of the Financial Instruments and Exchange Act (Government Ordinance No. 321 of 1965, as amended; the "Enforcement Order"), the Tender Offer may be withdrawn.

For the purpose of the Tender Offer, "the matters equivalent to those listed in (a) through (r)" as provided in Article 14(1)(i)(s) of the Enforcement Order refer to (i) the case where a decision-making body for the execution of business of the Target (a) has resolved to distribute dividends of surplus with a record date preceding the commencement date of settlement for the Tender Offer (except where the amount of money or other properties to be distributed to shareholders is estimated to be less than the amount equivalent to 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year (18,158 million yen (Note))) or has resolved to submit to the Targets shareholders meeting a proposal to make such a distribution of surplus, or (b) has resolved to distribute dividends of surplus with a record date preceding the commencement date of settlement for the Tender Offer without showing the specific amount of dividends of surplus, leaving a possibility of making a distribution of dividends in an amount exceeding 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year and (ii) the case where a decision-making body for the execution of business of the Target has resolved to acquire treasury shares (except where the amount of money or other properties to be delivered in exchange for the acquisition of the shares is estimated to be less than the amount equivalent to 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year (18,158 million yen)) or has resolved to submit to the Targets shareholders meeting a proposal for such acquisition of treasury shares. In addition, for the purpose of the Tender Offer, "the facts equivalent to those listed in (a) through (i)" as provided in Article 14(1)(iii)(j) of the Enforcement Order refer to the case where any of the statutory disclosure documents filed by the Target in the past is found to contain any false statement with respect to any material matter or omit to state any material matter required to be stated.

With respect to the Tender Offerors Prior Notification to the JFTC pursuant to the provisions of Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended; the "Antitrust Act") by the day before the expiration of the Tender Offer Period (including extension thereof), Tender Offeror may withdraw the Tender Offer, etc. if: (a) the Company receives from the JFTC the Prior Notice of Cease and Desist Order ordering the disposition of all or part of the shares of the Target, the transfer of a part of its business or any other equivalent disposition; (b) the Period for Measures for which the Prior Notice of Cease and Desist Order should be given under the Antitrust Act does not expire; or (c) the Tender Offeror receives a Petition for an Urgent Suspension Order from the court as a person engaging in an act suspected of violating the provisions of Article 10, Paragraph 1 of the Antitrust Act, and if it has failed to obtain the "Permission, etc." prescribed in Article 14, Paragraph 1, item 4 of the Enforcement Order. If Period for Measures ends without the Prior Notice of Cease and Desist Order and the request for a report, etc. under Article 10, Paragraph 9 of the Antitrust Act from the JFTC, or if the Tender Offeror receives a Notice to the Effect that Cease and Desist Order Will not be Issued from the JFTC, the Tender Offeror shall immediately submit an amendment to the Statement to the Director-General of the Kanto Local Finance Bureau in accordance with Article 27, Paragraph 8, item 2 of the Act.

If the Tender Offeror intends to withdraw the Tender Offer, it will issue an electronic public

notice and publish the notice in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror shall give public notice by the method prescribed in Article 20 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the "Cabinet Ordinance") and give public notice immediately thereafter.

(Note) Assuming that there has been no change in the total number of issued shares and the number of treasury shares, this threshold is equivalent to a dividend per share of 467 yen (Specifically, this amount has been calculated by dividing (x) 18,158 million yen, or 10% of the net assets of 181,584 million yen (any fraction less than 1 million yen being rounded down) as of August 31, 2020 as stated in the Earnings Briefing by (y) the number of shares (38,955,287 shares) obtained by deducting the number of treasury shares owned by the Target as of August 31, 2020 (3,653,817 shares) from the total number of issued shares of the Target as of August 31, 2020 (42,609,104 shares), both as stated in the Earnings Briefing, with fractions of 1 yen in the calculation result rounded up to the nearest yen.).

(After Amendment)

Upon occurrence of any of the matters as provided in Article 14(1)(i)(a) through (i) and (l) through (s), (iii)(a) through (h) and (j), and Article 14(2)(iii) through (vi) of the Enforcement Order of the Financial Instruments and Exchange Act (Government Ordinance No. 321 of 1965, as amended; the "Enforcement Order"), the Tender Offer may be withdrawn.

For the purpose of the Tender Offer, "the matters equivalent to those listed in (a) through (r)" as provided in Article 14(1)(i)(s) of the Enforcement Order refer to (i) the case where a decision-making body for the execution of business of the Target (a) has resolved to distribute dividends of surplus with a record date preceding the commencement date of settlement for the Tender Offer (except where the amount of money or other properties to be distributed to shareholders is estimated to be less than the amount equivalent to 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year (18,158 million yen (Note))) or has resolved to submit to the Targets shareholders meeting a proposal to make such a distribution of surplus, or (b) has resolved to distribute dividends of surplus with a record date preceding the commencement date of settlement for the Tender Offer without showing the specific amount of dividends of surplus, leaving a possibility of making a distribution of dividends in an amount exceeding 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year and (ii) the case where a decision-making body for the execution of business of the Target has resolved to acquire treasury shares (except where the amount of money or other properties to be delivered in exchange for the acquisition of the shares is estimated to be less than the amount equivalent to 10% of the book value of net assets of the Target on its non-consolidated balance sheet as of the end of the most recent business year (18,158 million yen)) or has resolved to submit to the Targets shareholders meeting a proposal for such acquisition of treasury shares. In addition, for the purpose of the Tender Offer, "the facts equivalent to those listed in (a) through (i)" as provided in Article 14(1)(iii)(j) of the Enforcement Order refer to the case where any of the statutory disclosure documents filed by the Target in the past is found to contain any false statement with respect to any material matter or omit to state any material matter required to be stated.

If the Tender Offeror intends to withdraw the Tender Offer, it will issue an electronic public

notice and publish the notice in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Tender Offeror shall give public notice by the method prescribed in Article 20 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the "Cabinet Ordinance") and give public notice immediately thereafter.

(Note) Assuming that there has been no change in the total number of issued shares and the number of treasury shares, this threshold is equivalent to a dividend per share of 467 yen (Specifically, this amount has been calculated by dividing (x) 18,158 million yen, or 10% of the net assets of 181,584 million yen (any fraction less than 1 million yen being rounded down) as of August 31, 2020 as stated in the Earnings Briefing by (y) the number of shares (38,955,287 shares) obtained by deducting the number of treasury shares owned by the Target as of August 31, 2020 (3,653,817 shares) from the total number of issued shares of the Target as of August 31, 2020 (42,609,104 shares), both as stated in the Earnings Briefing, with fractions of 1 yen in the calculation result rounded up to the nearest yen.).

End

- This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase, any securities, and neither this press release (or a part of this press release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this press release may not be relied upon at the time of entering into any such agreement.
- The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(e) and Section 14(d) of the Securities Exchange Act of 1934 (as amended; “Securities Exchange Act”) and the rules promulgated under such Section do not apply to the Tender Offer, and the Tender Offer is not in compliance with the procedures and standards thereunder. It is not necessarily the case that all financial information in this press release is equivalent to financial statements of companies in the United States. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Tender Offeror and the Target are incorporated outside the United States and all of their directors are non-U.S. residents. Shareholders may not be able to sue a company outside the United States and its directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliates to subject themselves to the jurisdiction of a U.S. court.
- The financial advisor of the Tender Offeror or the Target and their respective affiliates may, within their ordinary course of business, purchase, or conduct any act toward the purchase of, the shares of the Target for their own account or for their customers’ accounts outside the Tender Offer prior to the commencement of, or during, the period of the Tender Offer, etc. in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act to the extent permissible under the Financial Instruments and Exchange Act and other applicable laws and regulations in Japan. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will be made in the United States in a similar manner.
- All the procedures in connection with the Tender Offer shall be taken in the Japanese language, unless otherwise stipulated. While a part or all of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in case of any discrepancies between Japanese documents and corresponding English documents.
- This press release contains “forward-looking statements” as defined in Section 27A of the Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act. The actual results may be significantly different from the projections implied or expressly stated as “forward-looking statements” due to known or unknown risks, uncertainties or other factors. None of the Tender Offeror, the Target or any of their respective affiliates assures that such express or implied projections set forth herein as “forward-looking statements” will eventually prove to be correct. “Forward-looking statements” contained herein were prepared based on the information available to the Tender Offeror as of the date of this press release and, unless required by laws and regulations, none of the Tender Offeror, the Target or any of their respective affiliates shall have the obligation to update or correct the statements made herein in order to reflect the future events or circumstances.
- Some countries or regions may impose restrictions on the announcement, issue or distribution of this

press release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, even upon receiving this press release, such receipt shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.