

August 7, 2023
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Notice Regarding Acquisition of and Tender Offer for Treasury Shares by
Toshiba Tec Corporation**

TOKYO—Toshiba Corporation (TOKYO: 6502) hereby announces the Board of Directors of its consolidated subsidiary, Toshiba Tec Corporation (TOKYO: 6588), meeting today, has resolved certain matters concerning the acquisition of treasury shares, and agreed upon a tender offer as the specific method for the acquisition. The details are as attached.

< Outline of Toshiba Tec Corporation >

Name	Toshiba Tec Corporation
Address	1-11-1, Osaki, Shinagawa-ku, Tokyo Japan
Name and Title of the Representative	Hironobu Nishikori, President and CEO
Principle Business	Development, manufacturing, sales and support and services of POS system, MFPs, Auto ID system, Inkjet heads, and those related products
Capital Stock	39,970 million yen (as of March 31, 2023)



August 7, 2023

Company name: Toshiba Tec Corporation
Representative: Hironobu Nishikori
Representative Director
President and Chief Executive
Officer
(Code No. 6588, TSE Prime)
Contact: Corporate Planning Department
Akira Abe
General Manager of Corporate
Communications Division
(Tel. 03-6830-9151)

Notice Regarding Purchase of Treasury Shares and Tender Offer for Treasury Shares

The Company resolved at the board of directors meeting held on August 7, 2023 to conduct a purchase of treasury shares by a tender offer for treasury shares (the “**Tender Offer**”), pursuant to the articles of incorporation of the Company, under Article 459, paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; the “**Companies Act**”).

1. Purpose of the Purchase, etc.

The Company aims to continuously increase dividends with a target consolidated dividend payout ratio of around 30%, while taking into account strategic investments and the like for medium- to long-term growth. The Company issues interim and year-end dividends, and issued an interim dividend of 20 yen per share and a year-end dividend of 20 yen per share, making an annual dividend of 40 yen per share in the fiscal year ended March 2023, as a result of comprehensive consideration of the business performance, business environment, and stable issuance of dividends with reference to the above basic policy.

The Company has provided in its articles of incorporation that the board of directors may make resolutions to determine dividends of surplus, purchases of treasury shares, and other matters provided for in the items of Article 459, paragraph 1 of the Companies Act without a resolution of the shareholder meeting, unless otherwise provided for by laws and ordinances. The purpose of this provision is to enable the dividend policy and equity strategy to be flexibly adapted to changes in the business environment by giving the board of directors authority with respect to dividends of surplus, purchases of treasury shares, and the like.

In the past, the Company has made purchases of treasury shares in order to maintain a flexible equity policy, specifically, as stated in the press releases issued with respect to those purchases of treasury shares at the time: (i) the purchase, pursuant to a resolution of the ordinary general meeting of shareholders held on June 27, 2002, of (a) 310,000 shares (ownership ratio as of 2002 (see Note 1): 0.11%; cumulative purchase amount: 87,983,000 yen) through market price transactions on the Tokyo Stock Exchange (“**TSE**”) executed between September 10 and September 18 of that year, pursuant to a resolution of the

board of directors meeting held on September 9 of that year, (b) 2,499,000 shares (ownership ratio as of 2002: 0.87%; cumulative purchase amount: 747,201,000 yen) through a closing price transaction on the TSE (ToSTNeT-2) dated September 20 of that year, pursuant to a resolution of the board of directors meeting held on September 19 of that year, (c) 922,000 shares (ownership ratio as of 2002: 0.32%; cumulative purchase amount: 252,077,000 yen) through market price transactions on the TSE executed between November 1 and November 28 of that year, pursuant to a resolution of the board of directors meeting held on October 31 of that year, and (d) 1,020,000 shares (ownership ratio as of 2002: 0.35%; cumulative purchase amount: 275,400,000 yen) through a closing price transaction on the TSE (ToSTNeT-2) dated December 4 of that year, pursuant to a resolution of the board of directors meeting held on December 3 of that year; (ii) the purchase, pursuant to a resolution of the ordinary general meeting of shareholders held on June 27, 2003, of (a) 834,000 shares (ownership ratio as of 2003 (see Note 2): 0.29%; cumulative purchase amount: 396,984,000 yen) through a closing price transaction on the TSE (ToSTNeT-2) dated September 18 of that year, pursuant to a resolution of the board of directors meeting held on September 17 of that year, (b) 485,000 shares (ownership ratio as of 2003: 0.17%; cumulative purchase amount: 219,705,000 yen) through a closing price transaction on the TSE (ToSTNeT-2) dated November 6 of that year, pursuant to a resolution of the board of directors meeting held on November 5 of that year, and (c) 1,200,000 shares (ownership ratio as of 2003: 0.42%; cumulative purchase amount: 517,833,000 yen) through market price transactions on the TSE executed between December 1 and December 19 of that year, pursuant to a resolution of the board of directors meeting held on November 27 of that year; (iii) the purchase of 1,217,000 shares (ownership ratio at the time of purchase (see Note 3): 0.43%; cumulative purchase amount: 557,386,000 yen) through a closing price transaction on the TSE (ToSTNeT-2) dated November 30, 2004, pursuant to a resolution of the board of directors meeting held on November 29 of that year; (iv) the purchase of 1,240,000 shares (ownership ratio at the time of purchase (see Note 4): 0.44%; cumulative purchase amount: 678,280,000 yen) through a closing price transaction on the TSE (ToSTNeT-2) dated May 31, 2006, pursuant to a resolution of the board of directors meeting held on May 30 of that year; (v) the purchase of 2,266,000 shares (ownership ratio at the time of purchase (see Note 5): 0.81%; cumulative purchase amount: 1,189,650,000 yen) through a closing price transaction on the TSE (ToSTNeT-3) dated August 29, 2008, pursuant to a resolution of the board of directors meeting held on August 28 of that year; and (vi) the purchase of 844,000 shares (ownership ratio at the time of purchase (see Note 6): 0.31%; cumulative purchase amount: 254,044,000 yen) through a closing price transaction on the TSE (ToSTNeT-3) dated September 1, 2010, pursuant to a resolution of the board of directors meeting held on August 31 of that year 2010.

Note 1: The percentage (rounded to the second decimal place) of the difference (288,118,517 shares) of the total number of issued shares of the Company as of March 31, 2002 (288,145,704 shares) less the number of treasury shares held by the Company as of that date (27,187 shares).

Note 2: The percentage (rounded to the second decimal place) of the difference (283,103,781 shares) of the total number of issued shares of the Company as of March 31, 2003 (288,145,704 shares) less the number of treasury shares held by the Company as of that date (5,041,923 shares).

Note 3: The percentage (rounded to the second decimal place) of the difference (280,875,704 shares) of the total number of issued shares of the Company as of November 29, 2004 (288,145,704 shares) less the number of treasury shares held by the Company as of that date (7,270,000 shares).

Note 4: The percentage (rounded to the second decimal place) of the difference (279,658,704 shares) of the total number of issued shares of the Company as of May 30, 2006 (288,145,704 shares) less the number of treasury shares held by the Company as of that date (8,487,000 shares).

Note 5: The percentage (rounded to the second decimal place) of the difference (278,418,704 shares) of the total number of issued shares of the Company as of August 28, 2008 (288,145,704 shares) less the number of treasury shares held by the Company as of that date (9,727,000

shares).

Note 6: The percentage (rounded to the second decimal place) of the difference (275,049,731 shares) of the total number of issued shares of the Company as of August 31, 2010 (288,145,704 shares) less the number of treasury shares held by the Company as of that date (13,095,973 shares).

As described above, the Company has deliberated purchases of treasury shares for the purpose of flexible equity policy as necessary, with reference to share price movements, its financial situation, and other factors, and has been deliberating measures to improve its capital efficiency, including a purchase of treasury shares, since early September 2022 based on the Company's current capital efficiency, the opinions expressed by shareholders and investors in dialogue with them regarding the improvement of capital efficiency, and other factors. In that context, the Company received an oral request from its largest shareholder and parent company, Toshiba Corporation ("**Toshiba**"; number of shares held as of March 31, 2023: 28,827,501 shares; Ownership ratio as of March 31, 2023 (see Note 7): 52.08%) on May 23, 2023, to the effect that Toshiba wished to sell part of the common stock of the Company held by Toshiba and wanted the Company to consider buying those shares. On June 16, 2023, Toshiba made a written request to the Company to the effect that Toshiba was deliberating the sale of part of the common stock of the Company held by Toshiba, to the extent that Toshiba would be able to maintain its ownership of more than 50% of the voting rights of the Company, as a measure to increase efficiency of assets and improve financial strength, and that Toshiba wished for the Company to consider the option of conducting a tender offer to acquire those as treasury shares. The Company confirmed on July 13, 2023 that the number of shares that Toshiba was considering for sale was 2,222,000 shares of the common stock of the Company (Ownership ratio as of March 31, 2023: 4.01%; the "**Pre-Tendered Shares**").

Note 7: "Ownership ratio as of March 31, 2023" means the percentage (rounded to the second decimal place) of the difference (55,347,472 shares) of the total number of issued shares of the Company as of March 31, 2023 (57,629,140 shares), as stated in the Annual Securities Report for the 98th Fiscal Year submitted on June 30, 2023 (the "**Annual Securities Report**"), less the number of treasury shares held by the Company as of that date (2,281,668 shares); the same applies hereinafter.

Having received the above request from Toshiba, the management of the Company began specific deliberations on May 23, 2023 regarding the purchase of the Pre-Tendered Shares as treasury shares, upon comprehensive consideration of the fact that the request from Toshiba is in line with the Company's own intentions since the Company has already been independently deliberating measures to improve capital efficiency including the purchase of treasury shares as described above, the effect that a one-off release of a significant number of shares – such as that of the Pre-Tendered Shares, which can be calculated as equal to 34.1 times the average daily trading volume of the Company's common stock on the basis that the average daily trading volume of the Company's common stock during the fiscal year ended March 2023 was 65,249 shares – into the market would have impact on the liquidity and market price of the Company's common stock, and the Company's financial situation. Given that Toshiba is the parent company of the Company holding 28,827,501 shares of the Company's common stock (Ownership ratio as of March 31, 2023: 52.08%), making the acquisition of treasury shares from Toshiba as part of the Tender Offer constitutes a significant transaction, etc. with the controlling shareholder as defined in the Securities Listing Regulations of the TSE, and that the Company has had a special committee (the "**Special Committee**") comprising four outside directors as independent officers of the Company (Michio Kuwahara, Shin Nagase, Hirotaka Morishita, and Miho Aoki) as a body for discussing and deliberating material transactions where there is a conflict of interest between Toshiba and the minority shareholders, the Company explained the content of Toshiba's request to the Special Committee and requested that the Special Committee begin specific deliberations with respect to the merits of acquiring the Pre-Tendered Shares as treasury shares on June 28, 2023, and the Special Committee agreed to begin deliberations.

Subsequently, based on the discussions and opinions of the Special Committee regarding the purpose and meaning of the Tender Offer, the Company concluded in mid-July 2023 that its acquisition of the Pre-Tendered Shares as treasury shares would help to improve the Company's capital efficiency, such as earnings per share (EPS) and rate of return on equity (ROE), and would be conducive to shareholder return. With respect to the specific method of acquiring the treasury shares, the Company has determined, from the perspective of equality between shareholders and transparency of transactions, that the method of a tender offer would be appropriate given that it ensures that shareholders other than Toshiba have the opportunity to tender their shares based on market movements after providing a certain period for consideration, and that the acquisition of treasury shares through a market purchase as the Company has done in the past, as described above, would be expected to take time to acquire a significant number of shares in light of the liquidity of the Company's stock (note that the average daily trading volume of the Company's common stock during the fiscal year ended March 2023 was 65,249 shares as stated above, on which basis the number of the Pre-Tendered Shares can be calculated as equal to 34.1 times the average daily trading volume of the Company's common stock), and the purchase price would need to be the market price, whereas a tender offer allows a large number of shares to be acquired in a relatively short time and can be conducted at a price representing a certain discount to the market price.

In addition, in mid-July 2023, when determining the price of purchase, etc. of the Tender Offer (the "**Tender Offer Price**"), the Company considered that it should use the market price of the common stock of the Company as a basis in order to emphasize the clarity and objectivity of the price that is the basis for the purchase, in light of the facts that the common stock of the Company is listed on a financial instruments exchange and that most purchases are market share purchases due to the fact that a purchase of treasury shares by a listed company can be a flexible purchase according to the share price formed by the market based on supply and demand. On that basis, the Company determined that it would be preferable to conduct the purchase at a price that represents a discount to the market price of the common stock of the Company in order to prevent the flow of assets outside the Company as far as possible, in order to respect the interests of shareholders that continue to hold the common stock of the Company without tendering in the Tender Offer.

Based on the Company's decision, on July 12, 2023, the Special Committee made decisions with respect to matters including (i) that, given that upon confirmation of the discount rate (rounded to the nearest whole number) in the 31 past transactions conducted by other companies between January 1, 2021 and May 31, 2023 which were taken as recent examples of tender offers for treasury shares by other companies (the "**Recent Transactions**"; see Note 8), the range of discount rates applied was 6% to 15%, it would be appropriate for the first proposal of the Tender Offer Price to Toshiba to be at the highest discount rate in that range (15%) in consideration of the prevention of outflow of assets from the Company to the extent possible and the volatility of the price of the Company's common stock, and that using, as the price of the common stock of the Company that is the basis for the discount, an average value that is the average price over a certain period, rather than the price at any one point in time, would eliminate the influence of temporary changes in share price and ensure that the basis of the calculation is objective and reasonable, and (ii) that, given that in all of the 18 Recent Transactions in which the simple average closing price over a certain period ending on the last business day prior to the date of the resolution to conduct the tender offer was used as the base share price (see Note 9), either a one-month or a three-month period was set as the period for calculation of that average value, and that it was believed that using the simple average closing price of the common stock of the Company over the past six months as the basis for the discount rate would not appropriately reflect the Company's recent business outlook and financial condition, the price of the common stock of the Company that is the basis for the discount that is proposed to Toshiba should be the lower of the simple average closing price of the common stock of the Company over the one-month period ending on August 4, 2023, which is the last business day prior to the date of the board of directors meeting at which the decision to conduct the Tender Offer was made (August 7, 2023), or the simple average closing price of the common stock of the Company over the three-month period ending on that date (the "**Basis Price**"), bearing in mind the

need to prevent the outflow of assets from the Company.

Note 8: Of the 45 tender offers for treasury shares with respect to which resolutions were passed between January 1, 2021 and May 31, 2023, the Company excluded the transactions where a premium was set or where a share valuation report was used to determine the purchase price (14 transactions in total), and took into account the 31 transactions where the market share price was used as the basis for calculating the tender offer price (one with a discount of 15%, two with a discount of 13%, one with a discount of 11%, 22 with a discount of 10%, two with a discount of 9%, two with a discount of 7%, and one with a discount of 6%).

Note 9: Of the 45 tender offers for treasury shares with respect to which resolutions were passed between January 1, 2021 and May 31, 2023, the Company excluded the transactions where a premium was set or where a share valuation report was used to determine the purchase price (14 transactions in total), and took into account the 18 transactions in which the simple average closing price over a certain period ending on the last business day prior to the date of the resolution to conduct the tender offer was used as the base share price (10 transactions with a period of one month and eight transactions with a period of three months; there were no transactions in which the period was six months or any other period).

Based on that decision of the Special Committee, on July 13, 2023, the Company, with the approval of the Special Committee, made a proposal to Toshiba to make the Tender Offer Price the price calculated upon application of a 15% discount rate to the Basis Price. Toshiba responded on July 19 with a proposal to the effect that it would agree to set the price of the common stock of the Company that is the basis for the discount at the Basis Price, but this agreement was on the basis that (i) the discount rate should be 7.5% and (ii) if the price calculated by applying the discount rate to the Basis Price represents a premium or a discount of 20% or more to the share price as of the last business day prior to the announcement, the Tender Offer Price should be set at the price calculated by applying the above discount rate to the share price as of the last business day prior to the announcement, from the perspective of Toshiba's accountability to its shareholders given that the 15% discount rate is high in comparison to similar transactions and the perspective of ensuring that the Tender Offer is conducted even in the event of a significant change in the market price of the Company's shares.

The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined that it would be appropriate to conduct the Tender Offer at a higher discount rate based on the perspective of saving the outflow of assets from the Company and the discount rate in the Recent Transactions, and decided on July 21, 2023 that a request should be made to Toshiba to set the discount rate at 12%. Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, made a new proposal to Toshiba on the same day to set the discount rate at 12% for the reasons stated above.

Toshiba replied on July 27 to the effect that it considered the discount rate of 12% to be high in comparison to similar transactions, and proposed a discount rate of 9% based on its discussions with the Company. The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined on July 28, 2023 that it would be appropriate to conduct the Tender Offer at a higher discount rate in consideration of the interests of the Company's minority shareholders, the perspective of saving the outflow of assets from the Company, and the discount rate in the Recent Transactions, and decided that a request should be made to Toshiba to set the discount rate at 10%. With respect to Toshiba's proposal to the effect that if the price calculated by applying the discount rate to the Basis Price represents a premium or a discount of 20% or more to the share price as of the last business day prior to the announcement, the Tender Offer Price should be set at the price calculated by applying an agreed discount rate to the share price as of the last business day prior to the announcement, the Special Committee determined that (A) using the share price as of a specific day (the business day prior to the announcement) as the basis for the discount is inconsistent with the Company's belief that it would be more objective and reasonable to use the average share price over a certain period as the basis for the discount in light of the volatility of the price of the

common stock of the Company, and (B) Toshiba's proposed handling of the case where the price represents a discount of 20% or more to the share price as of the business day prior to the announcement is inadvisable from the perspective of protecting the interests of the Company's minority shareholders and saving the outflow of assets from the Company, because it may result in an increase in the Tender Offer Price in comparison to the price calculated by applying the discount rate to the Basis Price if the Company's share price as of the business day prior to the public announcement rises. On the other hand, (C) the Special Committee determined that it would be advisable to accept Toshiba's proposal only for the case where the price represents a premium, because Toshiba's proposed handling of the case where the price represents a premium to the share price as of the business day prior to the announcement would not result in an increase in the Tender Offer Price, but rather, allows the Tender Offer Price to be the price calculated by applying the discount rate to the share price as of the business day prior to the announcement even in the case where the price calculated by applying the discount rate to the Basis Price represents a premium to that price, and thus prevents the outflow of assets from the Company and is desirable from the perspective of protecting the Company's minority shareholders.

Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, made a new proposal to Toshiba on the same day to (A) set the discount rate at 10%, stating that (B) the Company cannot accept the condition for the case where the price calculated by applying the discount rate to the Basis Price would represent a discount of more than 20% to the share price on the business day prior to the announcement, and (C) the Company agrees to setting the Tender Offer Price as the price calculated by applying the discount rate to the share price as of the business day prior to the announcement, in the case where the price calculated by applying the discount rate to the Basis Price would represent a premium to the share price as of the business day prior to the announcement.

Toshiba replied to the Company on July 31, 2023 with a proposal to the effect that it agreed to setting the discount rate at 10%, but that agreement was premised on the Tender Offer Price being (A) the price calculated by applying a 10% discount rate to the share price as of the business day prior to the announcement, if the price calculated by applying the discount rate to the Basis Price represents a premium to the share price on the business day prior to the announcement, or (B) the price calculated by applying a 20% discount rate to the share price as of the business day prior to the announcement, if the price calculated by applying the discount rate to the Basis Price represents a discount of 20% or more to the share price on the business day prior to the announcement.

The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined that it could not agree to part (B) of the above proposal from Toshiba because the proposed handling of the case where the price represents a discount of 20% or more to the share price as of the business day prior to the announcement is still inadvisable from the perspective of protecting the interests of the Company's minority shareholders and saving the outflow of assets from the Company, even if the discount rate to be applied to the share price as of the business day prior to the announcement were to be 20%.

Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, notified Toshiba on the same day that it was unable to accept part (B) of the above proposal from Toshiba.

On August 1, 2023, Toshiba responded by accepting the above notice from the Company, and the Company reached an agreement with Toshiba to the effect that (A) the Tender Offer Price shall be the price calculated by applying a 10% discount rate to the Basis Price, and (B) if, however, the price calculated by applying the discount rate to the Basis Price represents a premium to the share price of the Company as of the business day prior to the announcement, the Tender Offer Price shall be the price calculated by applying a 10% discount rate to the share price as of the business day prior to the announcement.

The Company obtained from Toshiba a written pledge (the "**Pledge**") dated August 7, 2023 to the effect

that if the Company commences the Tender Offer, Toshiba will tender in the Tender Offer all of the Pre-Tendered Shares (2,222,000 shares, ownership ratio: 4.01%), which represent a part of Toshiba's holdings of the common stock of the Company (28,827,501 shares, ownership ratio (see Note 10): 52.08%).

In the Pledge, Toshiba stipulates that the conditions precedent to its tendering in the Tender Offer are (A) that the Special Committee has reported to the Company that the Company's decision with respect to conducting the Tender Offer is judged not to undermine the interests of the minority shareholders of the Company, and that report has not been withdrawn, (B) that no decision (meaning, collectively, a decision, order, guidance, request, or the like) of a judicial or administrative agency (meaning, collectively, a court, arbitrator, arbitration body, supervisory authority, or other judicial or administrative agency in Japan or overseas) limiting or prohibiting the Tender Offer or the tendering in it has been made, and (C) that confirmation has been obtained from the Company that the Company is lawfully performing its obligation to announce material facts concerning the Company under Article 27-22-3, paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act"), that there are no material facts concerning the business, etc. of the Company provided for in Article 166, paragraph 2 of the Act (excluding facts disclosed under paragraph 4 of that Article), and that the Company is not aware of any facts concerning the implementation of a tender offer, etc. or the cancellation of a tender offer, etc. under Article 167, paragraph 2 of the Act (excluding facts disclosed under paragraph 4 of that Article)(Even if these conditions are not met, Toshiba may tender in the Tender Offer at its own discretion.). In addition, the Pledge states that if, due to circumstances occurring after the announcement of the Tender Offer, Toshiba's tendering, or failure to withdraw the tender, of the Pre-Tendered Shares is reasonably deemed to be a breach of the duty of care owed by Toshiba's directors to Toshiba under the Companies Act, Toshiba may refuse to tender, or withdraw the tender of, the Pre-Tendered Shares, with written notice to the Company indicating in detail the reasons for that action.

Note 10: "Ownership ratio" means the percentage (rounded to the second decimal place) of the difference (55,348,689 shares) of the total number of issued shares of the Company as of June 30, 2023 (57,629,140 shares) as stated in the "Consolidated Financial Results for the Three Months Ended June 30, 2023 (Japanese GAAP)" announced by the Company on August 7, 2023 (the "**Q1 Financial Results**"), less the number of treasury shares held by the Company as of that date (2,280,451 shares); the same applies hereinafter.

Although the Tender Offer will be conducted at a price representing a discount to the market price of the common stock of the Company, and it is not anticipated that shareholders of the Company other than Toshiba will proactively tender shares, the Tender Offer is conducted based on the reasoning that it ensures that shareholders other than Toshiba have the opportunity to tender their shares based on market movements after providing a certain period for consideration, so the number of shares to be purchased in the Tender Offer has been set at the number of Pre-Tendered Shares (2,222,000 shares, ownership ratio: 4.01%) plus 10% thereof (2,444,200 shares, ownership ratio: 4.42%) after deliberation from the perspective of providing an opportunity to tender to shareholders other than Toshiba, on the reasoning that it is appropriate to add 10% to the number of shares that Toshiba plans to tender, given that in 15 of the 31 Recent Transactions, the number of shares to be purchased is around 10% greater than the number of shares that a specified shareholder plans to tender. If the total number of share certificates, etc. tendered in the Tender Offer (the "**Tendered Share Certificates, Etc.**") exceeds the number of shares to be purchased, the purchase will be conducted by the pro rata method, such that the Company will acquire part of the 2,222,000 Pre-Tendered Shares but be unable to acquire the remaining part of the Pre-Tendered Shares. The Company has received an explanation from Toshiba with respect to the part of the Pre-Tendered Shares that cannot be acquired to the effect that Toshiba will consider to sell that part on the market.

The Company has confirmed through the Pledge that, as of the date of the Pledge (August 7, 2023), Toshiba has no intention to sell the 26,605,501 shares of the common stock of the Company that it holds other than the Pre-Tendered Shares (ownership ratio: 48.07%). For that reason, if all of the Pre-

Tendered Shares are purchased in the Tender Offer, Toshiba's voting rights ratio (see Note 11) will become 50.08%, and it will remain the parent company of the Company.

Note 11: "Voting rights ratio" means the percentage (rounded to the second decimal place; the same applies hereinafter to the calculation of voting rights ratios) of the number of voting rights (531,266 voting rights) pertaining to the difference (53,126,689 shares) of the total number of issued shares as of June 30, 2023 stated in the Q1 Financial Results (57,629,140 shares)) less the number of treasury shares held by the Company as of that date (2,280,451 shares) and the number of Pre-Tendered Shares (2,222,000 shares) represented by the number of voting rights (266,055 voting rights) pertaining to the number of shares of the common stock of the Company held by Toshiba after the Tender Offer (26,605,501 shares).

As stated above, as of today, Toshiba is the parent company of the Company holding 28,827,501 shares of the Company's common stock (ownership ratio: 52.08%), making the acquisition of treasury shares from Toshiba as part of the Tender Offer is a significant transaction, etc. with the controlling shareholder as defined in the Securities Listing Regulations of the TSE. Those regulations provide that, in the case of a significant transaction, etc. with the controlling shareholder, an opinion must be obtained from an entity with no interest in the controlling shareholder; for that reason, on July 24, 2023, the Company consulted the Special Committee as to (A) whether the Company should conduct the Tender Offer (including the acquisition of treasury shares from Toshiba) and (B) whether the decision at the board of directors of the Company with respect to conducting the Tender Offer would undermine the interests of the minority shareholders of the Company (the "Referred Matters"). The Special Committee, having been asked by the Company on June 28, 2023 to begin specific deliberations regarding the merits of acquiring the Pre-Tendered Shares as treasury shares, considered the Referred Matters through receiving explanations from the Company regarding the purpose and effect of the Tender Offer, the appropriateness and fairness of its decision-making procedures with respect to the Tender Offer, and other matters, and itself deliberating the method of calculating the Tender Offer Price and other terms and conditions, and negotiating with Toshiba regarding the terms and conditions of the Tender Offer. As a result, on August 7, 2023, the Company received from the Special Committee a report (the "Committee Report") to the effect that (A) it is appropriate to conduct the Tender Offer (including the acquisition of treasury shares from Toshiba) and (B) the Company's decision at the board of directors with respect to conducting the Tender Offer is judged not to undermine the interests of the minority shareholders of the Company. For the outline of the Committee Report, please refer to "(ii) Process of Valuation" in "(3) Basis of Calculation, etc. of the Price of Purchase, etc." in "3. Outline of the Tender Offer" below.

The Tender Offer will be financed using funds procured from borrowings from Sumitomo Mitsui Banking Corporation ("SMBC") (the amount of the borrowing is to be the total purchase price in the Tender Offer, and is not to exceed 9 billion yen) by the settlement commencement date (September 28, 2023). With respect to this point, the Company's consolidated cash and deposits as of March 31, 2023, as stated in the Annual Securities Report, is 42,687 million yen (liquidity on hand ratio of 1.0 months; see Note 12), and it is considered possible for the Company to repay those borrowings from the accumulation of future cash flows created by its business (note that consolidated cash flows from business activities in the fiscal year ended March 2023 were 15,106 million yen) without affecting the Company's financial situation or dividend policy, while additionally securing a sufficient surplus of borrowing ability to meet any future demand for financing that may arise (consolidated net assets of 102,206 million yen and consolidated equity-to-asset ratio of 31.0% as of March 31, 2023). It is therefore believed that the Company's future business operations and financial health and stability can be maintained.

Note 12: The quotient of the cash and deposits as of March 31, 2023 stated in the Annual Securities Report divided by net sales per month during the fiscal year ended March 2023 (equal to one twelfth of the consolidated net sales for the fiscal year ended March 2023).

Based on the above, the Company determined, through a resolution of the board of directors meeting held on August 7, 2023 pursuant to the articles of incorporation of the Company, under Article 459, paragraph 1 of the Companies Act passed by a unanimous vote of all directors in attendance (7 directors excluding Hironobu Nishikori, Masashi Yuzawa, Naofumi Tani, and Takamasa Mihara), (A) to conduct a purchase of treasury shares by the Tender Offer, (B) to set the Tender Offer Price at 3,575 yen, because the price (3,575 yen) calculated by applying a 10% discount to 3,972 yen that is the Basis Price (the lower of the simple average closing price of the common stock of the Company on the TSE Prime Market over the one-month period ending on August 4, 2023, which is the last business day prior to the date of the board of directors meeting at which the decision to conduct the Tender Offer was made (3,972 yen) (rounded to the nearest whole yen; the same applies hereinafter to the calculation of simple average closing prices), or the simple average closing price of the common stock of the Company over the three-month period ending on that date (4,037 yen)) does not represent a premium to the closing price of the Company's common stock on August 4, 2023 (4,140 yen), and (C) to set the number of shares to be purchased in the Tender Offer at 2,444,200 shares (ownership ratio: 4.42%) which is the number of Pre-Tendered Shares (2,222,000 shares, ownership ratio: 4.01%) plus 10% thereof from the perspective of providing an opportunity to tender to shareholders other than Toshiba. Of the directors of the Company, Takamasa Mihara concurrently serves as an executive officer of Toshiba, and as such has not participated in the discussions and negotiations with Toshiba on the side of the Company, from the perspective of avoiding any suspicion of a conflict of interest. In addition to Takamasa Mihara, Hironobu Nishikori, Masashi Yuzawa, and Naofumi Tani have previously been employed by Toshiba, and as such have not participated in the above deliberations or resolutions of the board of directors with respect to the agenda concerning the execution of the Tender Offer, from the perspective of avoiding any suspicion of a conflict of interest.

The Company has not obtained a share valuation report from a third party appraiser in determining the Tender Offer Price, given that the common stock of the Company is listed on the TSE Prime Market and has a market price, the market price is an objective reference point when calculating and determining the Tender Offer Price, and acquiring common stock from Toshiba as the parent company at a price that represents a discount to the market price is considered not to undermine the interests of the minority shareholders of the Company.

In addition, with respect to the policy for the disposal of treasury shares acquired through the Tender Offer and similar matters nothing has been determined at this time.

2. Details of the Board of Directors Resolution Concerning the Acquisition of Treasury Shares

(1) Details of the Resolution

Type of Share Certificates, Etc.	Total Number of Shares	Aggregate Purchase Amount
Common shares	2,444,300 shares (Maximum)	8,738,372,500 yen (Maximum)

Note 1: Total number of issued shares: 57,629,140 shares (as of August 7, 2023)

Note 2: Proportion of the total number of issued shares: 4.24% (rounded to the second decimal place)

Note 3: Acquisition period: From Tuesday, August 8, 2023 to Tuesday, October 31, 2023

Note 4: Because there is a possibility that the number of shares tendered may exceed the number of shares to be purchased as a result of the share units being adjusted pro rata due to the number

of shares tendered exceeding the number of shares to be purchased, the total number of shares in the board of directors resolution includes one unit (100 shares) in addition to the number of shares to be purchased.

(2) Listed Share Certificates, Etc. Relating to the Treasury Shares Previously Acquired Pursuant to the Resolution

Not applicable

3. Outline of the Tender Offer

(1) Time Table

(A) Date of Board of Directors Resolution	Monday, August 7, 2023
(B) Date of Public Notice of Commencement of the Tender Offer	Tuesday, August 8, 2023 Electronic public notice will be conducted with notice to that effect in the Nihon Keizai Shimbun. (URL for electronic notice: https://disclosure2.edinet-fsa.go.jp/)
(C) Date of Submission of Tender Offer Registration Statement	Tuesday, August 8, 2023
(D) Period of Tender Offer	From Tuesday, August 8, 2023 to Tuesday, September 5, 2023 (20 business days)

(2) Purchase Price

3,575 yen per share of common stock

(3) Basis of Calculation, etc. of the Price of Purchase, etc.

(A) Basis of Calculation

In mid-July 2023, when determining the Tender Offer Price, the Company considered that it should use the market price of the common stock of the Company as a basis in order to emphasize the clarity and objectivity of the price that is the basis for the purchase, in light of the fact that most purchases are market share purchases due to the facts that the common stock of the Company is listed on a financial instruments exchange and that most purchases are market share purchases due to the fact that a purchase of treasury shares by a listed company can be a flexible purchase according to the share price formed by the market based on supply and demand. On that basis, the Company determined that it would be preferable to conduct the purchase at a price that represents a discount to the market price of the common stock of the Company in order to prevent the flow of assets outside the Company as far as possible, in order to respect the interests of shareholders that continue to hold the common stock of the Company without tendering in the Tender Offer.

Based on the Company's decision, on July 12, 2023, the Special Committee made decisions with respect to matters including (i) that, given that upon confirmation of the discount rate (rounded

to the nearest whole number) in the Recent Transactions, the range of discount rates applied was 6% to 15%, it would be appropriate for the first proposal of the Tender Offer Price to Toshiba to be at the highest discount rate in that range (15%) in consideration of the prevention of outflow of assets from the Company to the extent possible and the volatility of the price of the Company's common stock, and that using, as the price of the common stock of the Company that is the basis for the discount, an average value that is the average price over a certain period, rather than the price at any one point in time, would eliminate the influence of temporary changes in share price and ensure that the basis of the calculation is objective and reasonable, and (ii) that, given that in all of the 18 Recent Transactions in which the simple average closing price over a certain period ending on the last business day prior to the date of the resolution to conduct the tender offer was used as the base share price, either a one-month or a three-month period was set as the period for calculation of that average value, and that it was believed that using the simple average closing price of the common stock of the Company over the past six months as the basis for the discount rate would not appropriately reflect the Company's recent business outlook and financial condition, the price of the common stock of the Company that is the basis for the discount that is proposed to Toshiba should be the Basis Price, bearing in mind the need to prevent the outflow of assets from the Company.

Based on that decision of the Special Committee, on July 13, 2023, the Company, with the approval of the Special Committee, made a proposal to Toshiba to make the Tender Offer Price the price calculated upon application of a 15% discount rate to the Basis Price. Toshiba responded on July 19 with a proposal to the effect that it would agree to set the price of the common stock of the Company that is the basis for the discount at the Basis Price, but this agreement was on the basis that (i) the discount rate should be 7.5% and (ii) if the price calculated by applying the discount rate to the Basis Price represents a premium or a discount of 20% or more to the share price as of the last business day prior to the announcement, the Tender Offer Price should be set at the price calculated by applying the above discount rate to the share price as of the last business day prior to the announcement, from the perspective of Toshiba's accountability to its shareholders given that the 15% discount rate is high in comparison to similar transactions and the perspective of ensuring that the Tender Offer is conducted even in the event of a significant change in the market price of the Company's shares.

The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined that it would be appropriate to conduct the Tender Offer at a higher discount rate based on the perspective of saving the outflow of assets from the Company and the discount rate in the Recent Transactions, and decided on July 21, 2023 that a request should be made to Toshiba to set the discount rate at 12%. Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, made a new proposal to Toshiba on the same day to set the discount rate at 12% for the reasons stated above.

Toshiba replied on July 27 to the effect that it considered the discount rate of 12% to be high in comparison to similar transactions, and proposed a discount rate of 9% based on its discussions with the Company. The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined on July 28, 2023 that it would be appropriate to conduct the Tender Offer at a higher discount rate in consideration of the interests of the Company's minority shareholders, the perspective of saving the outflow of assets from the Company, and the discount rate in the Recent Transactions, and decided that a request should be made to Toshiba to set the discount rate at 10%. With respect to Toshiba's proposal to the effect that if the price calculated by applying the discount rate to the Basis Price represents a premium or a discount of 20% or more to the share price as of the last business day prior to the announcement, the Tender Offer Price should be set at the price calculated by applying an agreed discount rate to the share price as of the last business day prior to the announcement, the Special Committee determined that (A) using the share price as of a specific

day (the business day prior to the announcement) as the basis for the discount is inconsistent with the Company's belief that it would be more objective and reasonable to use the average share price over a certain period as the basis for the discount in light of the volatility of the price of the common stock of the Company, and (B) Toshiba's proposed handling of the case where the price represents a discount of 20% or more to the share price as of the business day prior to the announcement is inadvisable from the perspective of protecting the interests of the Company's minority shareholders and saving the outflow of assets from the Company, because it may result in an increase in the Tender Offer Price in comparison to the price calculated by applying the discount rate to the Basis Price if the Company's share price as of the business day prior to the public announcement rises. On the other hand, (C) the Special Committee determined that it would be advisable to accept Toshiba's proposal only for the case where the price represents a premium, because Toshiba's proposed handling of the case where the price represents a premium to the share price as of the business day prior to the announcement would not result in an increase in the Tender Offer Price, but rather, allows the Tender Offer Price to be the price calculated by applying the discount rate to the share price as of the business day prior to the announcement even in the case where the price calculated by applying the discount rate to the Basis Price represents a premium to that price, and thus prevents the outflow of assets from the Company and is desirable from the perspective of protecting the Company's minority shareholders.

Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, made a new proposal to Toshiba on the same day to (A) set the discount rate at 10%, stating that (B) the Company cannot accept the condition for the case where the price calculated by applying the discount rate to the Basis Price would represent a discount of more than 20% to the share price on the business day prior to the announcement, and (C) the Company agrees to setting the Tender Offer Price as the price calculated by applying the discount rate to the share price as of the business day prior to the announcement, in the case where the price calculated by applying the discount rate to the Basis Price would represent a premium to the share price as of the business day prior to the announcement.

Toshiba replied to the Company on July 31, 2023 with a proposal to the effect that it agreed to setting the discount rate at 10%, but that agreement was premised on the Tender Offer Price being (A) the price calculated by applying a 10% discount rate to the share price as of the business day prior to the announcement, if the price calculated by applying the discount rate to the Basis Price represents a premium to the share price on the business day prior to the announcement, or (B) the price calculated by applying a 20% discount rate to the share price as of the business day prior to the announcement, if the price calculated by applying the discount rate to the Basis Price represents a discount of 20% or more to the share price on the business day prior to the announcement.

The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined that it could not agree to part (B) of the above proposal from Toshiba because the proposed handling of the case where the price represents a discount of 20% or more to the share price as of the business day prior to the announcement is still inadvisable from the perspective of protecting the interests of the Company's minority shareholders and saving the outflow of assets from the Company, even if the discount rate to be applied to the share price as of the business day prior to the announcement were to be 20%.

Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, notified Toshiba on the same day that it was unable to accept part (B) of the above proposal from Toshiba.

On August 1, 2023, Toshiba responded by accepting the above notice from the Company, and the Company reached an agreement with Toshiba to the effect that (A) the Tender Offer Price

shall be the price calculated by applying a 10% discount rate to the Basis Price, and (B) if, however, the price calculated by applying the discount rate to the Basis Price represents a premium to the share price of the Company as of the business day prior to the announcement, the Tender Offer Price shall be the price calculated by applying a 10% discount rate to the share price as of the business day prior to the announcement.

Based on the above, the Company determined, through a resolution of the board of directors meeting held on August 7, 2023 pursuant to the articles of incorporation of the Company, under Article 459, paragraph 1 of the Companies Act passed by a unanimous vote of all directors in attendance (7 directors excluding Hironobu Nishikori, Masashi Yuzawa, Naofumi Tani, and Takamasa Mihara), (A) to conduct a purchase of treasury shares by the Tender Offer, (B) to set the Tender Offer Price at 3,575 yen, because the price (3,575 yen) calculated by applying a 10% discount to 3,972 yen that is the Basis Price (the lower of the simple average closing price of the common stock of the Company on the TSE Prime Market over the one-month period ending on August 4, 2023, which is the last business day prior to the date of the board of directors meeting at which the decision to conduct the Tender Offer was made (3,972 yen), or the simple average closing price of the common stock of the Company over the three-month period ending on that date (4,037 yen)) does not represent a premium to the closing price of the Company's common stock on August 4, 2023 (4,140 yen), and (C) to set the number of shares to be purchased in the Tender Offer at 2,444,200 shares (ownership ratio: 4.42%) which is the number of Pre-Tendered Shares (2,222,000 shares, ownership ratio: 4.01%) plus 10% thereof from the perspective of providing an opportunity to tender to shareholders other than Toshiba.

The Tender Offer Price of 3,575 yen represents a discount of 13.65% (rounded to the second decimal place; the same applies hereinafter to the calculation of premium and discount rates) to the closing price of the common stock of the Company on the TSE Prime Market as of August 4, 2023 (4,140 yen), which is the last business day before the board of directors resolution with respect to the decision to conduct the Tender Offer, a discount of 9.99% to the simple average closing price of the common stock of the Company over the one-month period from July 5, 2023 to August 4, 2023, a discount of 11.44% to the simple average closing price of the common stock of the Company over the three-month period from May 8, 2023 to August 4, 2023 (3,972 yen), and a discount of 9.31% to the simple average closing price of the common stock of the Company over the six-month period from February 6, 2023 to August 4, 2023 (3,942 yen).

(B) Process of Calculation

(Process of Determining the Tender Offer Price)

In mid-July 2023, when determining the Tender Offer Price, the Company considered that it should use the market price of the common stock of the Company as a basis in order to emphasize the clarity and objectivity of the price that is the basis for the purchase, in light of the facts that the common stock of the Company is listed on a financial instruments exchange and that most purchases are market share purchases due to the fact that a purchase of treasury shares by a listed company can be a flexible purchase according to the share price formed by the market based on supply and demand. On that basis, the Company determined that it would be preferable to conduct the purchase at a price that represents a discount to the market price of the common stock of the Company in order to prevent the flow of assets outside the Company as far as possible, in order to respect the interests of shareholders that continue to hold the common stock of the Company without tendering in the Tender Offer.

Based on the Company's decision, on July 12, 2023, the Special Committee made decisions with respect to matters including (i) that, given that upon confirmation of the discount rate (rounded to the nearest whole number) in the Recent Transactions, the range of discount rates applied was 6% to 15%, it would be appropriate for the first proposal of the Tender Offer Price to Toshiba to be at the highest discount rate in that range (15%) in consideration of the prevention of outflow of assets from the Company to the extent possible and the volatility of the price of the Company's

common stock, and that using, as the price of the common stock of the Company that is the basis for the discount, an average value that is the average price over a certain period, rather than the price at any one point in time, would eliminate the influence of temporary changes in share price and ensure that the basis of the calculation is objective and reasonable, and (ii) that, given that in all of the 18 Recent Transactions in which the simple average closing price over a certain period ending on the last business day prior to the date of the resolution to conduct the tender offer was used as the base share price, either a one-month or a three-month period was set as the period for calculation of that average value, and that it was believed that using the simple average closing price of the common stock of the Company over the past six months as the basis for the discount rate would not appropriately reflect the Company's recent business outlook and financial condition, the price of the common stock of the Company that is the basis for the discount that is proposed to Toshiba should be the Basis Price, bearing in mind the need to prevent the outflow of assets from the Company.

Based on that decision of the Special Committee, on July 13, 2023, the Company, with the approval of the Special Committee, made a proposal to Toshiba to make the Tender Offer Price the price calculated upon application of a 15% discount rate to the Basis Price. Toshiba responded on July 19 with a proposal to the effect that it would agree to set the price of the common stock of the Company that is the basis for the discount at the Basis Price, but this agreement was on the basis that (i) the discount rate should be 7.5% and (ii) if the price calculated by applying the discount rate to the Basis Price represents a premium or a discount of 20% or more to the share price as of the last business day prior to the announcement, the Tender Offer Price should be set at the price calculated by applying the above discount rate to the share price as of the last business day prior to the announcement, from the perspective of Toshiba's accountability to its shareholders given that the 15% discount rate is high in comparison to similar transactions and the perspective of ensuring that the Tender Offer is conducted even in the event of a significant change in the market price of the Company's shares.

The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined that it would be appropriate to conduct the Tender Offer at a higher discount rate based on the perspective of saving the outflow of assets from the Company and the discount rate in the Recent Transactions, and decided on July 21, 2023 that a request should be made to Toshiba to set the discount rate at 12%. Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, made a new proposal to Toshiba on the same day to set the discount rate at 12% for the reasons stated above.

Toshiba replied on July 27 to the effect that it considered the discount rate of 12% to be high in comparison to similar transactions, and proposed a discount rate of 9% based on its discussions with the Company. The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined on July 28, 2023 that it would be appropriate to conduct the Tender Offer at a higher discount rate in consideration of the interests of the Company's minority shareholders, the perspective of saving the outflow of assets from the Company, and the discount rate in the Recent Transactions, and decided that a request should be made to Toshiba to set the discount rate at 10%. With respect to Toshiba's proposal to the effect that if the price calculated by applying the discount rate to the Basis Price represents a premium or a discount of 20% or more to the share price as of the last business day prior to the announcement, the Tender Offer Price should be set at the price calculated by applying an agreed discount rate to the share price as of the last business day prior to the announcement, the Special Committee determined that (A) using the share price as of a specific day (the business day prior to the announcement) as the basis for the discount is inconsistent with the Company's belief that it would be more objective and reasonable to use the average share price over a certain period as the basis for the discount in light of the volatility of the price of the common stock of the Company, and (B) Toshiba's proposed handling of the case where

the price represents a discount of 20% or more to the share price as of the business day prior to the announcement is inadvisable from the perspective of protecting the interests of the Company's minority shareholders and saving the outflow of assets from the Company, because it may result in an increase in the Tender Offer Price in comparison to the price calculated by applying the discount rate to the Basis Price if the Company's share price as of the business day prior to the public announcement rises. On the other hand, (C) the Special Committee determined that it would be advisable to accept Toshiba's proposal only for the case where the price represents a premium, because Toshiba's proposed handling of the case where the price represents a premium to the share price as of the business day prior to the announcement would not result in an increase in the Tender Offer Price, but rather, allows the Tender Offer Price to be the price calculated by applying the discount rate to the share price as of the business day prior to the announcement even in the case where the price calculated by applying the discount rate to the Basis Price represents a premium to that price, and thus prevents the outflow of assets from the Company and is desirable from the perspective of protecting the Company's minority shareholders.

Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, made a new proposal to Toshiba on the same day to (A) set the discount rate at 10%, stating that (B) the Company cannot accept the condition for the case where the price calculated by applying the discount rate to the Basis Price would represent a discount of more than 20% to the share price on the business day prior to the announcement, and (C) the Company agrees to setting the Tender Offer Price as the price calculated by applying the discount rate to the share price as of the business day prior to the announcement, in the case where the price calculated by applying the discount rate to the Basis Price would represent a premium to the share price as of the business day prior to the announcement.

Toshiba replied to the Company on July 31, 2023 with a proposal to the effect that it agreed to setting the discount rate at 10%, but that agreement was premised on the Tender Offer Price being (A) the price calculated by applying a 10% discount rate to the share price as of the business day prior to the announcement, if the price calculated by applying the discount rate to the Basis Price represents a premium to the share price on the business day prior to the announcement, or (B) the price calculated by applying a 20% discount rate to the share price as of the business day prior to the announcement, if the price calculated by applying the discount rate to the Basis Price represents a discount of 20% or more to the share price on the business day prior to the announcement.

The Company made a report to the Special Committee on the same day regarding the proposal from Toshiba, and the Special Committee determined that it could not agree to part (B) of the above proposal from Toshiba because the proposed handling of the case where the price represents a discount of 20% or more to the share price as of the business day prior to the announcement is still inadvisable from the perspective of protecting the interests of the Company's minority shareholders and saving the outflow of assets from the Company, even if the discount rate to be applied to the share price as of the business day prior to the announcement were to be 20%.

Based on that decision of the Special Committee, the Company, with the approval of the Special Committee, notified Toshiba on the same day that it was unable to accept part (B) of the above proposal from Toshiba.

On August 1, 2023, Toshiba responded by accepting the above notice from the Company, and the Company reached an agreement with Toshiba to the effect that (A) the Tender Offer Price shall be the price calculated by applying a 10% discount rate to the Basis Price, and (B) if, however, the price calculated by applying the discount rate to the Basis Price represents a premium to the share price of the Company as of the business day prior to the announcement, the Tender Offer Price shall be the price calculated by applying a 10% discount rate to the share

price as of the business day prior to the announcement.

Based on the above, the Company determined, through a resolution of the board of directors meeting held on August 7, 2023 pursuant to the articles of incorporation of the Company, under Article 459, paragraph 1 of the Companies Act passed by a unanimous vote of all directors in attendance (7 directors excluding Hironobu Nishikori, Masashi Yuzawa, Naofumi Tani, and Takamasa Mihara), (A) to conduct a purchase of treasury shares by the Tender Offer, (B) to set the Tender Offer Price at 3,575 yen, because the price (3,575 yen) calculated by applying a 10% discount to 3,972 yen that is the Basis Price (the lower of the simple average closing price of the common stock of the Company on the TSE Prime Market over the one-month period ending on August 4, 2023, which is the last business day prior to the date of the board of directors meeting at which the decision to conduct the Tender Offer was made (3,972 yen), and the simple average closing price of the common stock of the Company over the three-month period ending on that date (4,037 yen)) does not represent a premium to the closing price of the Company's common stock on August 4, 2023 (4,140 yen), and (C) to set the number of shares to be purchased in the Tender Offer at 2,444,200 shares (ownership ratio: 4.42%) which is the number of Pre-Tendered Shares (2,222,000 shares, ownership ratio: 4.01%) plus 10% (2,444,200 shares, ownership ratio: 4.42%) from the perspective of providing an opportunity to tender to shareholders other than Toshiba.

(Details of Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest; Outline of Opinion Obtained From an Entity That has No Interest in the Controlling Shareholder Stating that the Transaction, etc. Will not Undermine the Interests of the Minority Shareholders)

(a) Details of Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

With respect to the specific method of acquiring the treasury shares, the Company has determined, as a result of sufficient deliberations from the perspective of equality between shareholders and transparency of transactions, to proceed by the method of a tender offer, because it ensures that shareholders other than Toshiba have the opportunity to tender their shares based on market movements after providing a certain period for consideration, and, the acquisition of treasury shares through a market purchase as the Company has done in the past would be expected to take time to acquire a significant number of shares in light of the liquidity of the Company's stock (note that the average daily trading volume of the Company's common stock during the fiscal year ended March 2023 was 65,249 shares, on which basis the number of the Pre-Tendered Shares can be calculated as equal to 34.1 times the average daily trading volume of the Company's common stock), and the purchase price would need to be on the market price, whereas a tender offer allows a large number of shares to be acquired in a relatively short time and can be conducted at a price representing a certain discount to the market price.

Of the directors of the Company, Takamasa Mihara concurrently serves as an executive officer of Toshiba, and as such has not participated in the discussions and negotiations with Toshiba on the side of the Company, from the perspective of avoiding any suspicion of a conflict of interest. In addition to Takamasa Mihara, Hironobu Nishikori, Masashi Yuzawa, and Naofumi Tani have previously been employed by Toshiba, and as such have not participated in the above deliberations or resolutions of the board of directors with respect to the agenda concerning the execution of the Tender Offer, from the perspective of avoiding any suspicion of a conflict of interest.

Given that, as of today, Toshiba is the parent company of the Company holding 28,827,501 shares of the Company's common stock (ownership ratio: 52.08%), the acquisition of treasury shares from Toshiba as part of the Tender Offer constitutes a significant transaction, etc. with the controlling shareholder as defined in the Securities

Listing Regulations of the TSE. Those regulations provide that, in the case of a significant transaction, etc. with the controlling shareholder, an opinion must be obtained from an entity with no interest in the controlling shareholder; for that reason, on July 24, 2023, the Company consulted the Special Committee as to the Referred Matters. The Special Committee, having been asked by the Company on June 28, 2023 to begin specific deliberations regarding the merits of acquiring the Pre-Tendered Shares as treasury shares, considered the Referred Matters through receiving explanations from the Company regarding the purpose and effect of the Tender Offer, the appropriateness and fairness of its decision-making procedures with respect to the Tender Offer, and other matters, and itself deliberating the method of calculating the Tender Offer Price and other terms and conditions, and negotiating with Toshiba regarding the terms and conditions of the Tender Offer. As a result, on August 7, 2023, the Company received from the Special Committee the Committee Report to the effect that (A) it is appropriate to conduct the Tender Offer (including the acquisition of treasury shares from Toshiba) and (B) the Company's decision at the board of directors with respect to conducting the Tender Offer is judged not to undermine the interests of the minority shareholders of the Company. For the outline of the Committee Report, please refer to "(b) Outline of Opinion Obtained From an Entity That has No Interest in the Controlling Shareholder Stating that the Transaction, etc. Will not Undermine the Interests of the Minority Shareholders" below.

(b) Outline of Opinion Obtained From an Entity That has No Interest in the Controlling Shareholder Stating that the Transaction, etc. Will not Undermine the Interests of the Minority Shareholders

The Company has obtained a committee report from the Special Committee dated August 7, 2023 stating to the effect that upon consideration of the matters stipulated in (i) to (iii) below, (A) it is appropriate to conduct the Tender Offer (including the acquisition of treasury shares from Toshiba) and (B) the Company's decision at the board of directors with respect to conducting the Tender Offer is judged not to undermine the interests of the minority shareholders of the Company.

(i) The purpose of the Tender Offer, impacts on the corporate value and the common interests of the Company's shareholders

a) Legitimacy of the purpose of the Tender Offer

The purposes of the Tender Offer are regarded to be (a) to improve the Company's capital efficiency, such as earnings per share (EPS) and rate of return on equity (ROE), (b) to mitigate the effect that a one-off release of a significant number of shares from Toshiba into the market would have on the market price of the Company's common stock, and (c) to acquire treasury shares as efficiently as practicable at a discounted price in order to prevent the outflow of assets from the Company to the extent possible when acquiring the treasury shares, while bearing in mind the interests of the shareholders other than Toshiba (from the perspective of equality between shareholders and transparency of transactions) by acquiring the treasury shares through a tender offer, and such purposes are considered legitimate.

b) Impacts of the Tender Offer on the corporate value and the common interests of the Company's shareholders

While the Tender Offer will be financed using funds procured from borrowings from SMBC (the maximum amount of the borrowing is to be 9 billion yen), the Company's consolidated cash and deposits as of March 31, 2023 are 42,687 million yen, and it is therefore possible for the Company to repay those borrowings from the accumulation of future cash flows created by its business without affecting the

Company's financial situation or dividend policy, while additionally securing a sufficient surplus of borrowing ability to meet any future demand for financing that may arise. It is therefore believed that the Company's future business operations and financial health and stability can be maintained even if the borrowings are made.

In the Pledge, it is stipulated that (a) if the Company commences the Tender Offer, Toshiba will tender in the Tender Offer the Pre-Tendered Shares under certain conditions precedent, and (b) it is confirmed that, as of the date of the Pledge, Toshiba has no intention to sell the 26,605,501 shares of the common stock of the Company that it holds other than the Pre-Tendered Shares. Therefore, if the Company commences the Tender Offer, Toshiba will tender the Pre-Tendered Shares in principle, but even if all of the Pre-Tendered Shares are purchased in the Tender Offer, Toshiba's voting rights ratio will be 50.08%, and Toshiba will remain the parent company of the Company. It is therefore believed that even if the Company conducts the Tender Offer and acquires the Pre-Tendered Shares, there will be no change to the fact that Toshiba is the Parent Company of the Company, and the managerial and business relationships between the Company and Toshiba will remain unaffected.

In addition, the Company's conducting the Tender Offer is not expected to have any business impact on matters other than the relationship between the Company and Toshiba, the Company has no agreement with Toshiba or any other third party regarding any capital policy or the like other than the Tender Offer, and the managerial measures of the Company including capital policy are not expected to be limited in the future due to the the implementation of the Tender Offer.

Based on the above, the Company's conducting the Tender Offer, including the procurement of the funds necessary for the Tender Offer, is expected to have no negative impacts on the corporate value of the Company.

Meanwhile, it is believed that the Tender Offer will contribute to the common interests of the Company's shareholders due to reasons including the method of a tender offer being conducive to equality between shareholders and transparency of transactions, the Company's earnings per share (EPS) and rate of return on equity (ROE) being increased by the Tender Offer, and the mitigation of the negative impact that the sale of the Company's shares by Toshiba in the market would have on the market price of the Company's common stock.

(ii) Appropriateness of the purchase price of the Tender Offer

The Tender Offer Price represents a discount to the market price of the Company's shares, and is considered to respect the interests of shareholders that continue to hold the common stock of the Company without tendering in the Tender Offer while saving the outflow of assets from the Company, and to not be particularly advantageous to Toshiba.

The Company has not obtained a share valuation report from a third party appraiser in determining the Tender Offer Price given that the common stock of the Company is listed on the TSE Prime Market and has a market price, the market price is an objective reference point when calculating and determining the Tender Offer Price, and acquiring common stock from Toshiba as the parent company at a price that represents a discount to the market price is considered not to undermine the interests of the minority shareholders of the Company; that decision is not considered to be unreasonable.

In light of the process of determining the Tender Offer Price, the Tender Offer Price is considered to have been determined by fair procedures, as it is not particularly

advantageous to Toshiba in light of the market price of the Company's shares, and was determined through diligent negotiations with Toshiba in accordance with the negotiation policy considered and determined by the Special Committee, while taking into consideration the discount rates in transactions by other companies and the movements of the Company's share price. Therefore, the Tender Offer Price is considered to be appropriate.

(iii) Measures to ensure fairness of the procedures and to avoid conflicts of interest

a) Obtaining a report from the Special Committee, etc.

The Special Committee comprises four outside directors as independent officers of the Company, none of whom has any special interest in Toshiba. The Company will in principle not pay special remuneration to any member of the Special Committee other than their compensation as a director. Although the Company may pay remuneration as a member of the Special Committee if the workload of the Special Committee is greater than expected or there are other reasonable grounds, the payment of remuneration is not decided at this time and is not related to the success or failure of the Tender Offer, but rather to the workload and similar reasonable grounds, and therefore the independence of the members of the Special Committee from the success or failure of the Tender Offer is also ensured.

The Special Committee, having been requested by the Company, received explanations from the Company regarding the purpose and effect of the Tender Offer, the appropriateness and fairness of its decision-making procedures with respect to the Tender Offer, and similar matters, discussed the purpose and method of the Tender Offer, the method of determining the Tender Offer Price, and other conditions of the Tender Offer and discussed the Referred Matters at a total of eight meetings of the Special Committee held between June 28, 2023 and August 4, 2023, and carefully deliberated and discussed the conditions and other details of the Tender Offer and the Referred Matters through reports, information sharing, and the like by email in the periods between meetings.

In addition, the Special Committee was directly involved in negotiations with Toshiba; each time the Company's management discussed and negotiated with Toshiba, the Special Committee immediately received a report on the content, convened a meeting of the Special Committee to discuss the details of the proposal to Toshiba regarding the Tender Offer Price and the negotiation policy, and deliberated and determined the negotiation policy with Toshiba.

Based on the above, the Special Committee, which is independent of the Company in respect of the Tender Offer, is considered to have performed its function effectively.

b) Non-participation of interested directors in the deliberation and negotiation of the Tender Offer

The Company has explained that of the 11 directors of the Company, Takamasa Mihara concurrently serves as an executive officer of Toshiba, and as such has not participated in the discussions and negotiations with Toshiba on the side of the Company, from the perspective of avoiding a conflict of interest. In addition to Takamasa Mihara, Hironobu Nishikori, Masashi Yuzawa, and Naofumi Tani have previously been employed by Toshiba, and as such will not participate in the deliberations or resolutions with respect to the Tender Offer at the board of directors meeting held on August 7, 2023.

c) Appropriate disclosure of information

Sufficient information with respect to the Tender Offer will be disclosed in the Tender Offer Registration Statement and press releases to contribute to the decision of the minority shareholders of the Company regarding to the appropriateness of the terms of the transaction.

In light of the above, sufficient measures to ensure fairness have been implemented as procedures to ensure the fairness of the terms and conditions of the Tender Offer, and sufficient consideration has been given to the interests of the general shareholders of the Company through fair procedures.

(4) Number of Share Certificates, Etc. to be Purchased

Type of Share Certificates, Etc.	Number of Shares to be Purchased	Expected Number of Excess Shares	Total
Common shares	2,444,200 shares	-- shares	2,444,200 shares

Note 1: If the total number of Tendered Share Certificates, Etc. does not exceed the number of shares to be purchased (2,444,200 shares), the Company will purchase all Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. exceeds the number of shares to be purchased (2,444,200 shares), the Company will not purchase all or some of the excess portion and will acquire share certificates, etc. and effect other settlement procedures for their purchase, etc. using the pro rata method specified in Article 27-13, paragraph 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) and applied mutatis mutandis to Article 27-22-2, paragraph 2 of the Act and with Article 21 of the Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates by Issuers (Ministry of Finance Ordinance No. 95 of 1994, as amended).

Note 2: Shares less than one unit are subject to the Tender Offer. In the case where a shareholder exercises the right to demand purchase of shares less than one unit pursuant to the Companies Act, the Company will purchase treasury shares during the period of purchase, etc. of the Tender Offer (the “Tender Offer Period”) in accordance with the procedures specified by laws and regulations.

(5) Funds Necessary for the Purchase

8,765,845,000 yen

Note: The amount of funds necessary for the purchase is the total of the purchase price where the entire number of shares to be purchased (2,444,200 shares) has been purchased (8,738,015,000 yen) and the estimated amount of purchase procedure fees and other expenses (expenses necessary for public notices relating to the Tender Offer, printing expenses for the tender offer explanatory statement and other necessary documents, and other sundry expenses).

(6) Method of Settlement

(A) Name and address of head office of financial instruments business operator, bank, etc. to handle settlement of tender offer

Tender offer agent: Daiwa Securities Co. Ltd. 1-9-1, Marunouchi, Chiyoda-ku, Tokyo

(B) Commencement date of settlement

September 28, 2023 (Thursday)

(C) Method of settlement

A written notice of the purchase will be mailed to the address or location of every shareholder that accepts the offer for purchase of share certificates, etc. or offers share certificates, etc. for sale through the Tender Offer (“**Tendering Shareholder, Etc.**”) (in the case of a shareholder, etc. that is a foreign resident (including corporate shareholders, “**Non-Resident Shareholder, Etc.**”), the shareholder’s standing proxy), without delay after the Tender Offer Period.

Purchases will be made in cash. The amount of the purchase proceeds after deducting the applicable amount of withholding tax (Note) will be remitted by the tender offer agent to the place designated by the Tendering Shareholder, Etc. (in the case of a Non-Resident Shareholder, Etc., the shareholder’s standing proxy) or paid at the head office or any domestic branch office of the tender offer agent that accepted the tender, without delay after the settlement commencement date.

Note: Taxation on the shares purchased through tender offer

Please consult with your certified public tax accountant or other experts concerning specific tax related questions and make a decision at your own discretion.

(a) For individual shareholders:

- (i) In the case where the Tendering Shareholder, Etc. is a resident of Japan or a non-resident with a permanent establishment in Japan

If the amount of money delivered for tendering shares in the Tender Offer exceeds the amount of the portion corresponding to the shares that are the basis of the delivery included in the Company’s stated capital (in the case of a consolidated corporation, the amount of consolidated individual stated capital), the amount of the excess portion is deemed to be dividend income and is subject to taxation. With respect to the amount that is deemed to be dividend income, is subject to withholding equivalent to 20.315% (15.315% in income taxes and the special reconstruction income tax under the Act on Special Measures concerning Securing Financial Resources Necessary to Implement Measures for Reconstruction in Response to the Great East Japan Earthquake (Act No. 117 of 2011, as amended; the “**Special Reconstruction Income Tax**”) and 5% in resident taxes) in principle (non-residents with a permanent establishment in Japan are exempt from special collection of the 5% resident tax). However, if a shareholder is a large shareholder, etc. prescribed in Article 4-6-2, paragraph 12 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No.43 of 1957, as amended) (“**Large Shareholder, Etc.**”), the equivalent of 20.42% of the payment is withheld (income tax and Special Reconstruction Income Tax only). The amount of the monies delivered for tendering shares in the Tender Offer minus the amount deemed to be dividend income is proceeds from the transfer of shares. The amount of proceeds from the transfer of shares minus acquisition expenses relating to the shares is in principle subject to separate self-assessment taxation.

In the case where shares in a tax-exempt account (“**Tax-Exempt Account**”) prescribed in Article 37-14 (Tax-Exempt Status of Income from Transfers Relating to Small Amounts of Listed Shares in Tax-Exempt Accounts) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) are tendered in the Tender Offer and the financial instruments business operator with which the Tax-Exempt Account was opened is Daiwa Securities Co. Ltd., income from the transfer of shares

through the Tender Offer is in principle tax exempt. If the Tax-Exempt Account was opened with a financial instruments business operator other than Daiwa Securities Co. Ltd., the treatment described above may not apply.

- (ii) In the case where the Tendering Shareholder, Etc. is a non-resident of Japan without a permanent establishment in Japan

The amount deemed to be dividend income is subject to 15.315% withholding (income tax and Special Reconstruction Income Tax only). If the shareholder is a Large Shareholder, Etc., then the deemed dividends are subject to 20.42% withholding (income tax and Special Reconstruction Income Tax only). Further, income arising from the transfer of shares is in principle not subject to taxation.

- (b) For corporate shareholders:

The equivalent of 15.315% (income tax and Special Reconstruction Income Tax only) of the amount of the Tender Offer Price in excess of the amount of capital per share is withheld in principle as tax on deemed dividends.

Any Non-Resident Shareholder, Etc. that wishes to have the income tax and Special Reconstruction Income Tax on the deemed dividend amount reduced or exempted under an applicable tax treaty is requested to submit the notice, etc., regarding the tax treaty to the tender offer agent by September 5, 2023.

(7) Other Matters

- (A) The Tender Offer is not conducted in the United States or for the United States, either directly or indirectly, and is not conducted by means of U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and moreover, is not conducted through any securities exchange facility in the United States. No application for the Tender Offer may be accepted through any of the aforementioned methods or means, or through the aforementioned facilities, or from the United States.

The tender offer registration statement and the related tender documents regarding the Tender Offer are not and may not be sent or distributed in, to, or from the United States by mail or any other method. Any application for the Tender Offer that is in violation of any of the abovementioned restrictions, either directly or indirectly, will not be accepted. The Tendering Shareholder, Etc. (in the case of a Non-Resident Shareholder, Etc., the shareholder's standing proxy) is requested to make the following representations and warranties to the tender offer agent when tendering shares in the Tender Offer.

The Tendering Shareholder, Etc. is not located in the United States either at the time of tendering shares or sending the tender offer application form; the Tendering Shareholder, Etc. has not received or sent any information or document (including copies thereof) regarding the Tender Offer, in, to, or from the United States, either directly or indirectly; the Tendering Shareholder, Etc. does not use U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), or any securities exchange facility in the United States, with respect to the purchase, etc. or signing and delivering the tender offer application form, either directly or indirectly; and the Tendering Shareholder, Etc. does not act as any other party's agent or trustee or delegate without discretion (except in the case where such other person is giving all instructions regarding the purchase, etc. from outside the United States)

- (B) On August 7, 2023, the Company received from Toshiba, the Company's parent company, the Pledge to the effect that if the Company commences the Tender Offer, Toshiba will tender all of

the Pre-Tendered Shares in the Tender Offer. In the Pledge, Toshiba stipulates that the conditions precedent to its tendering in the Tender Offer are (A) that the Special Committee has reported to the Company that the Company's decision with respect to conducting the Tender Offer is judged not to undermine the interests of the minority shareholders of the Company, and that report has not been withdrawn, (B) that no decision (meaning, collectively, a decision, order, guidance, request, or the like) of a judicial or administrative agency (meaning, collectively, a court, arbitrator, arbitration body, supervisory authority, or other judicial or administrative agency in Japan or overseas) limiting or prohibiting the Tender Offer or the tendering in it has been made, and (C) that confirmation has been obtained from the Company that the Company is lawfully performing its obligation to announce material facts concerning the Company under Article 27-22-3, paragraph 1 of the Act, that there are no material facts concerning the business, etc. of the Company provided for in Article 166, paragraph 2 of the Act (excluding facts disclosed under paragraph 4 of that Article), and that the Company is not aware of any facts concerning the implementation of a tender offer, etc. or the cancellation of a tender offer, etc. under Article 167, paragraph 2 of the Act (excluding facts disclosed under paragraph 4 of that Article). (Even if these conditions are not met, Toshiba may tender in the Tender Offer at its own discretion.) In addition, the Pledge states that if, due to circumstances occurring after the announcement of the Tender Offer, Toshiba's tendering, or failure to withdraw the tender, of the Pre-Tendered Shares is reasonably deemed to be a breach of the duty of care owed by Toshiba's directors to Toshiba under the Companies Act, Toshiba may refuse to tender, or withdraw the tender of, the Pre-Tendered Shares, with written notice to the Company indicating in detail the reasons for that action. If the total number of Tendered Share Certificates, Etc. exceeds the number of shares to be purchased, and purchase is conducted by the pro rata method, the Company is unable to acquire part of the 2,222,000 Pre-Tendered Shares. The Company has received an explanation from Toshiba with respect to the part of the Pre-Tendered Shares that cannot be acquired to the effect that the Company will consider to sell the part on the market.

In addition, through the Pledge, the Company has confirmed that as of the date of the Pledge (August 7, 2023) Toshiba has no intention to sell the 26,605,501 shares of the common stock of the Company that it holds other than the Pre-Tendered Shares (ownership ratio: 48.07%).

(C) Matters Relating to Transactions, etc. with the Controlling Shareholder

(a) Transaction, etc. with a controlling shareholder and conformity with policy on measures to protect minority shareholders

Toshiba is the parent company of the Company holding 28,827,501 shares of the Company's common stock (ownership ratio: 52.08%), and making the acquisition of treasury shares from Toshiba as part of the Tender Offer constitutes a transaction, etc. with the controlling shareholder as defined in the Securities Listing Regulations of the TSE.

In "Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder" in the Company's corporate governance report issued on June 30, 2023, the Company announced that "any transactions with Toshiba Corporation, the Company's controlling shareholder, and each of the Toshiba group companies is determined based on standard transaction terms after negotiating in consideration of market prices and the like; the Company has executed various agreements, including research and development agreements and service agreements, with Toshiba Corporation and each of the Toshiba group companies, from the perspective of effective utilization of resources within the Toshiba group; and the Company has established a special committee comprising four outside directors as a body for discussing and deliberating material transactions where there is a conflict of interest between Toshiba Corporation and the minority shareholders."

The Company has taken measures as stated in "(ii) Process of Valuation" in "(3) Basis of Calculation, etc. of the Price of Purchase, etc." in "3. Summary of the Tender Offer" above, to ensure that the acquisition of treasury shares from Toshiba as part of the Tender Offer

would not undermine the interests of the minority shareholders, and therefore the transaction terms, policy for determination of transactions, and the like are determined based on standard transaction terms. In addition to that, since the report from the special committee stated above, the Company believes that such acquisitions of treasury shares conforms with such policy.

(b) Details of Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

Please refer to “(ii) Process of Valuation” in “(3) Basis of Calculation, etc. of the Price of Purchase, etc.” in “3. Summary of the Tender Offer” above.

(c) Outline of Opinion Obtained From an Entity That has No Interest in the Controlling Shareholder Stating that the Transaction, etc. Will not Undermine the Interests of the Minority Shareholders

Please refer to “(ii) Process of Valuation” in “(3) Basis of Calculation, etc. of the Price of Purchase, etc.” in “3. Summary of the Tender Offer” above.

(D) The Company announced its “Consolidated Financial Results for the Three Months Ended June 30, 2023 Japanese GAAP” on August 7, 2023. The outline of the announcement is as stated below. The details of the announcement have not been audited by an auditing firm under the provisions of Article 193-2, paragraph 1 of the Act. For details, please refer to the announcement.

Outline of Consolidated Financial Results for the Three Months Ended June 30, 2023 Japanese GAAP
(from April 1, 2023 to June 30, 2023)

(a) Status of profit and loss (consolidated)

Accounting period	Consolidated cumulative period for the first quarter of FY Ending March, 2024 (from April 1, 2023 to June 30, 2023)
Net sales	122,374 million yen
Cost of sales	73,109 million yen
Selling, general, and administrative expenses	47,977 million yen
Non-operating income	1,164 million yen
Non-operating expenses	2,044 million yen
Current net income attributable to shareholders of parent company	38 million yen

(b) Figures per share (consolidated)

Accounting period	Consolidated cumulative period for the first quarter of FY Ending March, 2024 (from April 1, 2023 to June 30, 2023)
Current net income per share	0.70 yen
Dividends per share	- yen

Net assets per share	1,758.65 yen
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(Reference) Status of treasury shares as of June 30, 2023

Total number of issued shares (excluding treasury shares) 55,348,689 shares

Number of treasury shares 2,280,451 shares

End.