



Consolidated Financial Results for the Three Months Ended March 31, 2024 [Japanese GAAP]

May 10, 2024

Company name: Roland DG Corporation

Securities Code: 6789

URL: www.rolanddg.com

Stock exchange listing: Tokyo Stock Exchange

Representative: Kohei Tanabe, President, Representative Director

Contact: Kazuhiro Ogawa, Managing Executive Officer and Division President of Corporate Division

Phone: +81-53-484-1400

Scheduled date of filing quarterly securities report: May 10, 2024

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly consolidated financial results: Not available

Schedule of quarterly consolidated financial results briefing session: Not scheduled

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended March 31, 2024 (From January 1, 2024 to March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended March 31, 2024	13,521	6.6	515	(59.9)	480	(64.8)	670	(28.5)
Three months ended March 31, 2023	12,687	12.1	1,284	(0.7)	1,365	(7.0)	937	1.4

(Note) Comprehensive income: Three months ended March 31, 2024: 1,200 million yen [(0.6)%]
Three months ended March 31, 2023: 1,208 million yen [(26.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2024	55.25	—
Three months ended March 31, 2023	77.09	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2024	55,363	38,067	66.9	3,056.01
As of December 31, 2023	54,283	36,862	66.0	2,953.97

(Reference) Equity: As of March 31, 2024: 37,065 million yen
As of December 31, 2023: 35,823 million yen

2. Dividends

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	–	55.00	–	0.00	55.00
Fiscal year ending December 31, 2024	–				
Fiscal year ending December 31, 2024 (Forecast)		–	–	–	–

(Note) As announced in the press release “Notice Concerning Implementation of MBO and Recommendation of Tendering” dated February 9, 2024, the common shares of the Company (the “Company’s Shares”) are scheduled to be delisted because of a tender offer (the “Tender Offer”) by XYZ K.K. (the “Offeror”) and a series of subsequent procedures. Thus, the Company has not announced the dividends forecast for the fiscal year ending December 31, 2024.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (From January 1, 2024 to December 31, 2024)

As announced in the press release “Notice Concerning Implementation of MBO and Recommendation of Tendering” dated February 9, 2024, the Company’s Shares are scheduled to be delisted because of the Tender Offer by the Offeror and a series of subsequent procedures. Thus, the Company has not announced consolidated financial results forecasts for the first half and full year of the fiscal year ending December 31, 2024.

* Notes

- (1) Significant changes of subsidiaries during the three months ended March 31, 2024 (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of special accounting methods for preparing Quarterly Consolidated Financial Statement: No
- (3) Changes in accounting policies, changes in accounting estimates and corrections of errors
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Any changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Corrections of errors: No

(4) Total number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares):

Three months ended March 31, 2024	12,319,911 shares
Fiscal year ended December 31, 2023	12,319,911 shares

- 2) Total number of treasury shares at the end of the period:

Three months ended March 31, 2024	191,108 shares
Fiscal year ended December 31, 2023	192,618 shares

- 3) Average number of shares during the period:

Three months ended March 31, 2024	12,128,153 shares
Three months ended March 31, 2023	12,161,087 shares

(Note) The total number of treasury shares at the end of the period includes shares of the Company held by the Director Stock Benefit Trust and J-ESOP Trust (190,400 shares at the end of the three months ended March 31, 2024 and 192,100 shares at the end of the fiscal year ended December 31, 2023). The number of treasury shares excluded from calculation of the average number of shares during the period includes shares of the Company held by the said Trusts (190,400 shares at the end of the three months ended March 31, 2024 and 192,100 shares at the end of the three months ended March 31, 2023).

* These consolidated financial results are outside the scope of audit.

* Explanation of the proper use of financial results forecast and other notes

As announced in the press release “Notice Concerning Implementation of MBO and Recommendation of Tendering” dated February 9, 2024, the Company’s Shares are scheduled to be delisted because of the Tender Offer by the Offeror and a series of subsequent procedures. Thus, the Company has not announced consolidated financial results forecasts for the first half and full year of the fiscal year ending December 31, 2024.

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1. Results of Operations

(1) Analysis of Results of Operations

During the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024), demand for capital investment remained strong, while uncertain conditions continued, such as increased geopolitical risk causing raw material costs to spike and the ongoing trend of yen depreciation resulting from financial tightening in Europe and the United States. Against this backdrop, the Group is working on transitioning from a business model that relies on eco-solvent printers for production of traditional signboards (advertising, etc.).

Net sales for the three months ended March 31, 2024 increased by 6.6% compared with the same period of the previous fiscal year to 13,521 million yen. The ratio of cost of sales increased by 0.5 percentage points from the same period of the previous fiscal year mainly due to a decrease in the sales volume of high-margin products and discounts for old models that should be replaced with new products. Selling, general and administrative expenses were higher than the same period of the previous fiscal year mainly due to increases in personnel expenses, research and development expenses, and commission expenses. As a result, operating profit decreased by 59.9% compared with the same period of the previous fiscal year to 515 million yen, and ordinary profit decreased by 64.8% to 480 million yen. Profit attributable to owners of parent decreased by 28.5% compared with the same period of the previous fiscal year to 670 million yen due to the recording of 606 million yen of gain on revision of retirement benefit plan under extraordinary income in the first quarter following the transition to defined contribution pension plans.

The exchange rates for major currencies during the three months ended March 31, 2024 (average rate during the period from January 2024 to March 2024) were 148.61 yen to the U.S. dollar (132.32 yen for the same period of the previous year) and 161.36 yen to the euro (142.13 yen for the same period of the previous year).

As the business of the Company and its consolidated subsidiaries is the manufacture and sale of computer peripheral devices and there are no other segments, it is represented as a single segment.

Net Sales by Market

(Millions of Yen)

Market	Three months ended March 31, 2023		Three months ended March 31, 2024		Changes	Changes in composition ratio (pp)	Year-on year change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)			
Visual Communication	6,240	49.2	6,627	49.0	387	(0.2)	106.2
Digital Fabrication	2,464	19.4	2,792	20.7	327	1.3	113.3
Dental	1,915	15.1	1,785	13.2	(129)	(1.9)	93.2
Service, Software & Others	2,066	16.3	2,315	17.1	249	0.8	112.1
Total	12,687	100.0	13,521	100.0	834	–	106.6

Net Sales by Product

(Millions of Yen)

Product	Three months ended March 31, 2023		Three months ended March 31, 2024		Changes	Changes in composition ratio (pp)	Year-on year change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)			
Hardware	6,383	50.3	6,176	45.7	(206)	(4.6)	96.8
Supplies	4,298	33.9	5,107	37.8	809	3.9	118.8
Service Parts & Other	2,005	15.8	2,237	16.5	231	0.7	111.6
Total	12,687	100.0	13,521	100.0	834	–	106.6

[Visual Communication (VC)]

VC comprises our eco-solvent printers (VC-Solvent) and non-solvent printers (VC-Other) such as UV printers and textile printers, and our aim in this area is to secure revenue by developing new markets and bolstering our customer base by offering an increased variety of inks and expanding the range of solutions we offer. During the three months ended March 31, 2024, we strengthened our product lineup by adding the ER-641, an entry model of eco-solvent printers, to the region-specific DGXPRESS brand targeting growth markets with a high demand for the production of signboards (advertising, etc.). For VC-Solvent, although sales of eco-solvent inks were strong, sales of hardware were down on the same period of the previous fiscal year. For VC-Other, sales of new roll-type UV printers and ink supplies made a contribution. As a result, VC sales were 6,627 million yen, or 106.2% of the same period of the previous fiscal year, exceeding the level of the same period of the previous fiscal year.

[Digital Fabrication (DF)]

For DF, our goal is to create new markets and applications by proposing to small businesses, online vendors, and retailers the product categories that can meet the demand for personalization geared towards specific customer needs that are rapidly expanding in recent years as well as for customization for meeting specific niche applications. During the three months ended March 31, 2024, we launched the MO-240 in January as a new product of the VersaOBJECT Series, which is composed of flatbed type UV printers that enable direct printing onto 3D objects. We also extended the VersaSTUDIO, a series of compact and affordable desktop products, by launching two models: BD-8, a UV printer that allows for direct high-resolution printing onto items of various shapes and materials, and BY-20, a DTF (Direct To Film) technology type compact printer for apparel. Additionally, we began the global rollout of sales and support for the Dimensor S model, which allows for the production of interior decoration such as unique embossed wallpapers. This model is developed and manufactured by UAB DG DIMENSE, a Lithuanian subsidiary whose shares we acquired in October, 2023. As a result, DF sales were 2,792 million yen, or 113.3% of the same period of the previous fiscal year, also thanks to increases in sales of the VersaOBJECT CO Series, the BN Series desktop eco-solvent printers, and the GS2-24 small type cutting machines, exceeding the level of the same period of the previous fiscal year.

[Dental]

For Dental, we offer dental milling machines for promoting the digitization of the workflow for fabricated dental prostheses in the dental (dentistry) market. During the three months ended March 31, 2024, despite favorable sales of the DWX-53DC high-productivity model primarily in North America and Europe, sales of the DWX-52D standard model, accounting for a large proportion of sales, were sluggish compared to the same period of the previous fiscal year, as five years have passed from its launch, and its competitiveness is decreasing. Sales of the highly price-competitive DWX-52Di model, specifically targeting growth markets, increased in Central and South America, including Brazil, but decreased in Asia and the Middle East. As a result, Dental sales were 1,785 million yen, or 93.2% of the same period of the previous fiscal year, falling below the level of the same period of the previous fiscal year.

[Service, Software & Others (SSO)]

Due to increased sales of service parts and other services, SSO sales were 2,315 million yen, or 112.1% of the same period of the previous fiscal year, exceeding the level of the same period of the previous fiscal year.

Sales by region are as follows.

Net sales by region

(Millions of Yen)

Region	Three months ended March 31, 2023		Three months ended March 31, 2024		Changes	Changes in composition ratio (pp)	Year-on year change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)			
Japan	1,132	8.9	1,221	9.0	89	0.1	107.9
North America	4,391	34.6	4,627	34.2	235	(0.4)	105.4
Europe	4,483	35.4	4,951	36.7	467	1.4	110.4
Asia	735	5.8	786	5.8	50	0.0	106.9
Others	1,943	15.3	1,935	14.3	(8)	(1.0)	99.5
Total	12,687	100.0	13,521	100.0	834	–	106.6

[Japan]

For VC, sales of UV and other non-solvent printers and ink supplies increased. For DF, sales of 3D milling machines and BN Series desktop eco-solvent printers increased. For Dental, sales of the DWX-52D standard model decreased. As a result, net sales in Japan were 1,221 million yen, or 107.9% of the same period of the previous fiscal year, exceeding the level of the same period of the previous fiscal year.

[North America]

For VC, although sales of eco-solvent printers for the sign market fell below the level for the same period of the previous fiscal year, sales of UV printers and UV inks increased. For DF, sales of CO Series flatbed type UV printers and BN Series desktop eco-solvent printers were strong. For Dental, despite sluggish sales of the DWX-52D, owing to favorable sales of the DWX-53DC high-productivity model, sales exceeded the same period of the previous fiscal year. As a result, net sales in North America were 4,627 million yen, or 105.4% of the same period of the previous fiscal year, an increase partly attributable to the effects of a weaker yen against the dollar.

[Europe]

For VC, sales of eco-solvent printers for the sign market, MG and LG Series UV printers, which we launched in the previous period, and supplies of UV ink all contributed to revenue growth. For DF, sales of BN Series desktop eco-solvent printers increased. For Dental, despite strong sales of the DWX-53DC high-productivity model, sales fell slightly below the level for the same period of the previous fiscal year due to sluggish sales of the DWX-52D standard model. As a result, net sales in Europe were 4,951 million yen, or 110.4% of the same period of the previous fiscal year, an increase partly attributable to the effects of a weaker yen against the euro.

[Asia]

In China, despite sluggish sales of dental milling machines, sales of DGXPRESS eco-solvent printers and UV ink increased. In India, although sales of dental milling machines remained sluggish, sales of DGXPRESS UV printers were strong. As a result, net sales for Asia were 786 million yen, or 106.9% of the same period of the previous fiscal year, exceeding the level of the same period of the previous fiscal year.

[Other Regions]

In Brazil, sales of DGXPRESS eco-solvent and UV printers and DWX-52Di dental milling machines remained strong, and sales of models for growth markets were favorable. In Australia, although sales of roll-type and desktop UV printers increased, sales of dental milling machines remained sluggish. There was an increase in the level of sales compared to the same period of the previous fiscal year for the Central and South American region (excluding Brazil); however, sales for North and South Africa fell below the level of the same period of the previous fiscal year. As a result, net sales for Other Regions were 1,935 million yen, or 99.5% of the same period of the previous fiscal year.

(2) Explanation of Financial Position

[Assets]

Total assets as of the end of the first quarter increased by 1,079 million yen compared with the end of the previous consolidated fiscal year to a total of 55,363 million yen, or 102.0% of the end of the previous consolidated fiscal year. With regard to current assets, cash and deposits decreased by 793 million yen, but notes and accounts receivable - trade and inventories increased by 596 million yen and 1,043 million yen, respectively. In non-current assets, there were no major changes in particular.

[Liabilities]

Liabilities as of the end of the first quarter decreased by 125 million yen compared with the end of the previous consolidated fiscal year to a total of 17,296 million yen, 99.3% of the end of the previous consolidated fiscal year. With regard to current liabilities, provision for bonuses and other current liabilities increased by 229 million yen and 373 million yen, respectively, and income taxes payable decreased by 270 million yen. In non-current liabilities, long-term accounts payable – other increased by 123 million yen, but long-term borrowings, provision for share awards for directors (and other officers), and retirement benefit liability decreased by 150 million yen, 148 million yen, and 515 million yen, respectively.

[Net assets]

Net assets as of the end of the first quarter increased by 1,205 million yen compared with the end of the previous consolidated fiscal year to a total of 38,067 million yen, or 103.3% of the end of the previous consolidated fiscal year. Retained earnings increased by 670 million yen owing to the recording of profit attributable to owners of parent, and foreign currency translation adjustment increased by 652 million yen mainly due to the effects of a weaker yen.

(3) Explanation of Future Forecast Information such as Consolidated Performance Forecast

As announced in the press release “Notice Concerning Implementation of MBO and Recommendation of Tendering” dated February 9, 2024, the Company’s Shares are scheduled to be delisted because of the Tender Offer by the Offeror and a series of subsequent procedures. Thus, the Company has not announced consolidated financial results forecasts for the first half and full year of the fiscal year ending December 31, 2024.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousands of Yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	12,308,896	11,515,086
Notes and accounts receivable - trade	6,473,700	7,069,796
Merchandise and finished goods	10,228,052	10,920,626
Work in process	66,253	90,058
Raw materials and supplies	5,248,668	5,575,296
Other	1,984,750	2,071,353
Allowance for doubtful accounts	(58,881)	(63,967)
Total current assets	36,251,441	37,178,250
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,204,474	9,307,997
Accumulated depreciation	(3,035,842)	(3,184,231)
Buildings and structures, net	6,168,631	6,123,765
Machinery, equipment and vehicles	1,773,254	1,888,326
Accumulated depreciation	(869,388)	(936,870)
Machinery, equipment and vehicles, net	903,866	951,455
Tools, furniture and fixtures	5,324,557	5,441,398
Accumulated depreciation	(3,876,839)	(3,985,446)
Tools, furniture and fixtures, net	1,447,718	1,455,951
Land	2,475,295	2,477,954
Leased asset-use rights	1,490,250	1,521,561
Construction in progress	23,183	29,662
Total property, plant and equipment	12,508,945	12,560,350
Intangible assets		
Goodwill	1,159,376	1,167,671
Software	1,089,856	1,174,285
Telephone subscription right	40,124	38,412
Total intangible assets	2,289,357	2,380,369
Investments and other assets		
Investment securities	200	200
Deferred tax assets	2,047,879	2,016,617
Other	1,186,020	1,227,851
Allowance for doubtful accounts	(189)	(171)
Total investments and other assets	3,233,910	3,244,497
Total non-current assets	18,032,213	18,185,217
Total assets	54,283,654	55,363,467

(Thousands of Yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,037,074	4,022,877
Current portion of long-term borrowings	600,000	600,000
Accounts payable - other	1,683,189	1,767,103
Lease liabilities	561,660	568,573
Income taxes payable	737,060	467,020
Provision for bonuses	660,087	889,341
Provision for bonuses for directors (and other officers)	57,388	4,149
Provision for product warranties	861,165	957,690
Other	2,209,838	2,583,200
Total current liabilities	11,407,464	11,859,957
Non-current liabilities		
Long-term borrowings	2,250,000	2,100,000
Lease liabilities	1,004,046	1,026,989
Deferred tax liabilities	94,755	72,940
Provision for employee stock ownership plan trust	143,943	135,716
Provision for share awards for directors (and other officers)	148,458	–
Retirement benefit liability	515,641	–
Long-term accounts payable - other	90,217	213,472
Other	1,767,090	1,887,296
Total non-current liabilities	6,014,154	5,436,415
Total liabilities	17,421,619	17,296,372
Net assets		
Shareholders' equity		
Share capital	3,668,700	3,668,700
Capital surplus	2,700,899	2,700,899
Retained earnings	27,792,277	28,462,301
Treasury shares	(497,706)	(493,375)
Total shareholders' equity	33,664,170	34,338,526
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,074,421	2,727,174
Remeasurements of defined benefit plans	85,053	–
Total accumulated other comprehensive income	2,159,474	2,727,174
Non-controlling interests	1,038,389	1,001,394
Total net assets	36,862,034	38,067,095
Total liabilities and net assets	54,283,654	55,363,467

(2) Consolidated Statements of Operations and Comprehensive Income
Consolidated Statements of Operations
(For the three months ended March 31, 2023 and March 31, 2024)

(Thousands of Yen)

	For the three months ended March 31, 2023 (From January 1, 2023 to March 31, 2023)	For the three months ended March 31, 2024 (From January 1, 2024 to March 31, 2024)
Net sales	12,687,092	13,521,707
Cost of sales	6,249,627	6,728,228
Gross profit	6,437,465	6,793,478
Selling, general and administrative expenses		
Transportation and storage costs	355,151	383,208
Advertising and promotion expenses	339,875	400,737
Provision of allowance for doubtful accounts	7,092	6,927
Provision for product warranties	26,876	54,914
Salaries and bonuses	2,030,353	2,355,008
Provision for bonuses	184,807	181,688
Provision for bonuses for directors (and other officers)	13,426	4,149
Provision for employee stock ownership plan trust	1,539	451
Provision for share awards for directors (and other officers)	19,899	–
Retirement benefit expenses	87,948	91,927
Travel and transportation expenses	162,904	214,511
Depreciation	233,732	319,869
Commission expenses	385,786	755,585
Research and development expenses	748,539	897,135
Other	554,547	612,245
Total selling, general and administrative expenses	5,152,483	6,278,361
Operating profit	1,284,982	515,116
Non-operating income		
Interest income	6,082	21,571
Dividend income	4,260	4,700
Foreign exchange gains	50,510	–
Other	35,962	49,682
Total non-operating income	96,815	75,953
Non-operating expenses		
Interest expenses	10,297	12,513
Foreign exchange losses	–	97,037
Other	5,929	931
Total non-operating expenses	16,227	110,481
Ordinary profit	1,365,569	480,588

(Thousands of Yen)

	For the three months ended March 31, 2023 (From January 1, 2023 to March 31, 2023)	For the three months ended March 31, 2024 (From January 1, 2024 to March 31, 2024)
Extraordinary income		
Gain on sale of non-current assets	2,547	1,920
Gain on revision of retirement benefit plan	–	606,390
Total extraordinary income	2,547	608,311
Extraordinary losses		
Loss on sale and retirement of non-current assets	5,405	3,633
Total extraordinary losses	5,405	3,633
Profit before income taxes	1,362,710	1,085,266
Income taxes - current	415,737	414,983
Income taxes - deferred	9,457	77,500
Total income taxes	425,195	492,484
Profit	937,515	592,782
Profit (loss) attributable to non-controlling interests	9	(77,242)
Profit attributable to owners of parent	937,506	670,024

(Consolidated Statements of Comprehensive Income)

(Thousands of Yen)

	For the three months ended March 31, 2023 (From January 1, 2023 to March 31, 2023)	For the three months ended March 31, 2024 (From January 1, 2024 to March 31, 2024)
Profit	937,515	592,782
Other comprehensive income		
Foreign currency translation adjustment	260,641	693,000
Remeasurements of defined benefit plans, net of tax	9,964	(85,053)
Total other comprehensive income	270,605	607,946
Comprehensive income	1,208,121	1,200,728
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,208,105	1,237,723
Comprehensive income attributable to non-controlling interests	16	(36,994)

(3) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Additional Information)

(Tender Offer for Common Shares of the Company)

At a meeting of the Board of Directors held on February 9, 2024, the Company expressed its opinion in favor of a tender offer (the "Tender Offer") made for the Company's common shares (the "Company's Shares") as part of a management buyout (MBO) (Note) by XYZ K.K. (the "Offeror") and resolved to recommend that the Company's shareholders tender their shares in the Tender Offer. The resolution of the Board of Directors was premised on the plan that the Company's Shares will be delisted upon the Tender Offer and series of subsequent procedures being implemented.

Subsequently, following the notice published by Brother Industries Ltd. ("Brother Industries"), on March 13, 2024, regarding the planned commencement of a tender offer for the company's shares (the "Brother Tender Offer"), and since then, the company, together with the Special Committee, has continued to engage in discussions in good faith with Brother Industries and Taiyo Pacific Partners L.P. and its group (collectively, "Taiyo Pacific Partners") in order to carefully consider whether or not the Company can maintain its opinion in favor of the Tender Offer.

As the status of discussions with Brother Industries and Taiyo Pacific Partners and the results of the examination of the Additional Consultation Matters in consideration of the status of discussions up to that date received from the Special Committee on April 26, 2024, the Company has determined that (i) the Company has not been able to dispel concerns about the possibility of the occurrence of dis-synergies through the Brother Tender Offer, and doubts about the feasibility of the occurrence of synergies have not been resolved, (ii) there is no change in its belief that the Company's Shares going private through a management buyout (MBO) by Taiyo Pacific Partners will contribute to the Company's further growth and enhancement of its corporate value over the mid- to long-term, and (iii) the Offeror has decided to raise the Tender Offer Price from 5,035 yen to 5,370 yen, which is higher than the purchase price (5,200 yen) for the Brother Tender Offer, and to extend the Tender Offer Period, and therefore, at the board of directors meeting held on April 26, 2024, resolved to maintain the opinion in favor of the Tender Offer and to reiterate the recommendation that the Company's shareholders tender their shares in the Tender Offer.

(Note) A "management buyout (MBO)" generally refers to a transaction in which the management of the target company provides all or part of the acquisition funds to acquire shares in the target company on the assumption that the target company will continue its business.

1. Overview of the Offeror

(1) Name	XYZ K.K.
(2) Location	10-1, Roppongi 6-chome, Minato-ku, Tokyo
(3) Job title and name of representative	Michael King, Representative Director
(4) Description of business	To acquire and own shares and other equity securities of the Company
(5) Share capital	50,000 yen
(6) Date of establishment	January 19, 2024
(7) Major shareholders and ownership ratios	Taiyo XYZ Group, L.P. 100.0%
(8) Relationship between the Company and the Offeror	
Capital relationship	Not applicable.

Personnel relationship	Not applicable.
Business relationship	Not applicable.
Related party relationship	Not applicable.

2. Overview of the Tender Offer

- (1) Class of the share certificates, etc. for which purchase, etc. is to be made
Common shares
- (2) Period of purchase, etc.
February 13, 2024 (Tuesday) to May 15, 2024 (Wednesday) (62 business days)
- (3) Purchase, etc. price
5,370 yen per share of common stock
- (4) Number of share certificates, etc. to be purchased
Number of shares to be purchased: 12,319,393 shares
Minimum number of shares to be purchased: 8,151,100 shares
Maximum number of shares to be purchased: – shares

(Significant Subsequent Events)

Not applicable