



(Translation)

April 26, 2024

To whom it may concern:

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Name of representative: Kohei Tanabe
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(Securities code: 6789; TSE Prime Market)
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**(Amendment) Notice Concerning Change of Opinion Pertaining to the Tender Offer
for the Company's Common Shares by XYZ K.K.**

With respect to a tender offer (the "Tender Offer") for the common stock of the Company (the "Company's Stock") by XYZ K.K. (the "Offeror"), the Offeror has changed the terms of the Tender Offer, and, accordingly, the Company has resolved, at a meeting of the board of directors held today, to again change its opinion pertaining to the Tender Offer and to maintain its opinion in favor of the Tender Offer and to again recommend that the shareholders of the Company tender their shares in the Tender Offer. Therefore, as a portion of the matters set forth in the "Notice Concerning Implementation of MBO and Recommendation to Tender" (including changes and amendments thereof; hereinafter the same) issued by the Company on February 9, 2024 requires amendment, the Company has elected to put out the following notice.

The Company had resolved, at the meeting of the board of directors held on February 9, 2024, to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer. However, following the notice published by Brother Industries, Ltd. ("Brother Industries") announcing the plan to commence a tender offer for the Company's Stock (the "Brother Tender Offer") on March 13, 2024, the Company resolved, at the meeting of the board of directors held on March 26, 2024, to maintain its opinion in favor of the Tender Offer but to leave the shareholders of the Company to decide as to whether or not to tender their shares in the Tender Offer, and issued a notice regarding the aforementioned matters.

The background of the Company's decision to maintain its opinion in favor of the Tender Offer as of March 26, 2024 was that, while the Company believes that whether or not the Company should support a tender offer is to be basically determined based on whether said tender offer will contribute to enhance the corporate value of the company, (a) the Company has determined that it remains unchanged in its belief that the Company's Stock going private through management buyout (MBO) method by Taiyo Pacific Partners L.P. and its group (collectively, "Taiyo Pacific Partners"), will contribute to the realization of further growth and enhancement of the Company's corporate value over the mid- to long-term, and (b) as of March 26, 2024, while a certain degree of synergies were expected, the Company and the Company's Special Committee (the "Special Committee") were unable to rule out their concerns regarding the possibility of generation of certain dis-synergies, although the Company needs to continue to carefully review the transaction based on our discussions with Brother Industries in order to determine whether the Brother Tender Offer is a transaction that will enhance the corporate value of the

Company over the mid- to long-term. On the other hand, as the price of the Tender Offer (the "Tender Offer Price") (5,035 yen at that time) was below both the closing market price of the Company's Stock after the announcement of the scheduled commencement of the Brother Tender Offer and the tender offer price in the Brother Tender Offer (5,200 yen) (the "Brother Tender Offer Price") and the situation remained unchanged, the Company reached a conclusion to withdraw its recommendation to shareholders that they tender their shares to the Tender Offer and to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares to the Tender Offer, and to leave the decision to each of the shareholders.

Since the announcement regarding the scheduled commencement of the Brother Tender Offer, the Company, together with the Special Committee, has continued to engage in discussions in good faith with Brother Industries and Taiyo Pacific Partners, regarding both the Tender Offer and the Brother Tender Offer in order to carefully consider whether or not the Company can maintain its opinion in favor of the Tender Offer.

Brother Industries explained to the Special Committee and the Company's executive officers (the Company's managing executive officers who are leading the evaluation and negotiation of this matter on the executive side of the Company) and board of directors (other than Mr. Kohei Tanabe, President, Representative Director of the Company and Mr. Brian K. Heywood, an outside director of the Company) the significance of the Brother Tender Offer and its view on synergies and dis-synergies on March 19, 2024 and April 5, 2024, respectively. However, even with this explanation, the Company and the Special Committee still could not rule out the concerns about the feasibility of generating synergies or the generation of dis-synergies from the Brother Tender Offer (although the "Notice Concerning Implementation of MBO and Recommendation to Tender" dated February 9, 2024 states that a certain degree of synergies were expected with respect to the proposal from Brother Industries, this is an abstract statement to the effect that the Brother Tender Offer will not result in any synergy at all, and as of February 9, 2024, the Company did not actively evaluate the synergies to be generated by the Brother Tender Offer).

The Company's concerns regarding the Brother Tender Offer are "the likelihood of a deterioration in the competitiveness of the Company's products due to dis-synergies and a resulting decrease in the Company's corporate value in the mid- to long-term, " as stated in the "Notice Concerning Implementation of MBO and Recommendation to Tender" dated February 9, 2024. More specifically, the concerns regarding the generation of dis-synergies mainly relate to the following:

- (i) With respect to the key components (printheads) for industrial printers, the Company's core products, there is a high likelihood that the terms and conditions of transactions with the Major Supplier A (as defined below; hereinafter the same), including the purchase prices for supplies from the Major Supplier A to the Company will deteriorate; the Major Supplier A will no longer provide to the Company with its state-of-the-art printheads with the latest technology on a preferential basis; and that the Company will not be able to work closely with the Major Supplier A from the early stages of product development of the Company, and will not be able to work closely with the Major Supplier A after the product launch, including quality support, or receive technical support;
- (ii) If it becomes difficult to do business with the Major Supplier A as before, it is expected that the Company will use more printheads manufactured by Brother Industries, but the printheads manufactured by Brother Industries cannot cover the printheads lineup of the Major Supplier A; therefore, it is highly possible that the development of the Company's new products will not be executed as planned, and as a result, the Company's product lineup will not be fulfilled, which will have a significant impact on the Company's business performance; in addition, products with printheads manufactured by Brother Industries may have an adverse impact in light of the performance of the Company's products, production processes and the customer management; and
- (iii) Based on the history and track record of past collaborations and transactions between the Company and Brother Industries, there is a possibility that the Company's competitiveness may decline due to differences in corporate strategy, technology strategy or corporate culture.

Regarding (i) of these dis-synergies, the Company has confirmed with a business operator which has a diverse lineup

of printheads with particularly high quality performance, and currently supplies the majority of the printheads that are key components used in the Company's products (the "Major Supplier A; " the Company believes that the printheads of the Major Supplier A are compatible with a wide variety of inks, and that the value that the Company wishes to achieve or provide to its customers cannot be realized without the printheads of the Major Supplier A, which enable high-speed and high-definition printing) its views on future transactions, etc. assuming that the Company will be part of Brother Industries (including the case in which the Company becomes a subsidiary or affiliate of Brother Industries; hereinafter the same). On April 11, 2024, the Major Supplier A officially informed the Company that in the event that the Company becomes a part of Brother Industries following the Brother Tender Offer, the relationship between the Company and the Major Supplier A will change from a good one to a competitive one, and it will become inevitable to review and reconsider the business relationship, such as drastic revision of strategic prices, supply of state-of-the-art printheads, sharing of future product roadmaps at an early stage and provision of technical support.

In response, on April 10, 2024, in order to re-explain the outline of the responses received from the Major Supplier A as well as the Company's views on its concerns regarding the feasibility of synergies and the occurrence of dis-synergies through the Brother Tender Offer, the Company sent a letter of inquiry to Brother Industries regarding each of these concerns and requested a meeting with Brother Industries, which was held on April 16, 2024. Subsequently, on April 23, 2024, the Company received an explanation of Brother Industries' position with respect to each of the Company's concerns. With respect to the transactions with the Major Supplier A, Brother Industries asserted at the meeting that there would be no change or deterioration in the business relationship with the Major Supplier A and no resulting dis-synergies for the following reasons, among others: (a) given that the Major Supplier A merely stated that it would "consider" reviewing the business relationship rather than reviewing the business relationship itself, and the specific details of how the terms and conditions of the transactions would be reviewed were unclear, it is considered that there would be no change or deterioration beyond the scope of general concerns about "reviewing business relationship" that arise in transactions involving a change of control of a business corporation; (b) the Major Supplier A is investing in printhead manufacturing facilities and actively expanding its external sales business; (c) Brother Industries and the Major Supplier A are not in a competitive relationship; and (d) Brother Industries and the Major Supplier A have a friendly relationship through patent licensing and other agreements (the "License Agreements"), and it is difficult to imagine that the Major Supplier A would take any action that could lead to a deterioration in its relationship with Brother Industries in a broad range of areas. Therefore, on April 24, 2024, the Company made another inquiry to the Major Supplier A. On April 25, 2024, the Company received from the Major Supplier A a formal response outlined as follows:

- The Major Supplier A considers the Company to be an important customer and business partner for printheads. With respect to the printheads developed and manufactured by the Major Supplier A, the Major Supplier A (i) deals with the Company at the current sales price based on a non-competitive good relationship, (ii) has provided the Company with state-of-the-art printheads and has worked closely with the Company in the development of the Company's products, including collaboration from early stages and post-market quality support, and (iii) has provided the Company with technical and other support (hereinafter, (i) through (iii) are collectively referred to as the "Current Business Relationship").
- After the successful completion of the Tender Offer, the Company will remain an important customer and business partner of the Major Supplier A, and the Major Supplier A does not intend to change the Current Business Relationship.
- The sales destinations of the Major Supplier A's external printhead sales business and the terms of transactions with them will be determined on a case-by-case basis, taking into consideration the competitive status and the relationship between the Major Supplier A group and the proposed sales destinations and the group to which they belong, and the Major Supplier A's business strategies, among other factors. If the Company becomes a part of the Brother Industries group, the relationship between the Company and the Major Supplier A will change from that of important business partners to that of competitors. With respect to the printheads developed and manufactured by the Major Supplier A, the Major Supplier A believes that in such a case, it will be difficult to sell the printheads currently sold to the Company at the current price based on a non-competitive good relationship, and the Major Supplier A would have no choice but

to revise its pricing based on the assumption that the two companies have become competitors. The Major Supplier A believes that it is also difficult to sell printheads other than those currently sold to the Company (including printheads to be installed in the Company's new products to be released in the future and the state-of-the-art printheads that the Major Supplier A will release in the future) to the Company, and believes that it has no choice but to suspend its close cooperation with the Company, including collaboration from early stages of development of the Company's products and post-market quality support, and technical support.

In order to make an objective and quantitative assessment of the Company's concerns regarding the likelihood of dis-synergies resulting from the Brother Tender Offer, the Company requested Resolve & Capital, a business consulting service provider ("R&C"), to evaluate and estimate the likelihood that the Company's becoming part of the Brother Industries group would trigger the above-mentioned revision of the Current Business Relationship as described in the Major Supplier A's response and the resulting impact on the Company's financial results. On April 25, 2024, the Company received a report from R&C to the effect that based on the above-mentioned response from the Major Supplier A, (A) there is a considerable risk that the Major Supplier A will increase the price of the printheads it currently sells to the Company; (B) although the risk of a complete cessation of supply of existing products is low from the standpoint of the supplier's responsibility, there is a high probability that the Company will not be able to obtain future technical information and the latest type of printheads, which involves a risk of causing a cessation of development of the Company's products or a serious delay in their market introduction; and (C) there is a risk that the effects of (A) and (B) above may reduce the competitiveness and cash-generating ability of the Company's products, and the resulting decrease in the Company's share in the industrial printer market and the Company's R&D expenses would lead to further long-term damage to the Company's corporate value. On the quantitative side, if the Company becomes part of the Brother Industries group, it is highly likely that the Company will experience dis-synergies of 5 billion yen on the basis of operating profit for the fiscal year ending December 31, 2026 (a decrease of approximately 80% compared to the projected operating profit of 6.3 billion yen for the fiscal year ending December 31, 2026) and it is reasonably expected that the Company's performance would deteriorate even after that. The Company believes that this report confirms the Company's concerns regarding the likelihood of the occurrence of dis-synergies.

In addition, although Brother Industries explained its views not only on the transactions with the Major Supplier A but also on each of the Company's other concerns at the meeting on April 23, 2024, none of these explanations provided any basis for dispelling the Company's concerns regarding the feasibility of the occurrence of synergies or the likelihood of the occurrence of dis-synergies. Therefore, the Company requested a meeting with Brother Industries to further discuss and explain the reasons why such concerns of the Company could not be dispelled, but such meeting was not possible due to the circumstances of Brother Industries. Accordingly, on April 25, 2024, the Company sent a letter to Brother Industries explaining such reasons and other relevant matters. Since then, the Company has not received any additional explanation from Brother Industries in response to the Company's explanation, and as such, the concerns regarding the feasibility of the synergies assumed by Brother Industries and the possibility of the occurrence of dis-synergies have not been dispelled.

In parallel with the above, the Company, together with Taiyo Pacific Partners, considered whether there is any change in its judgment that the Tender Offer will contribute to the Company's further growth and enhancement of its corporate value in the mid- to long-term. To this end, the Company and the Special Committee conducted interviews with Taiyo Pacific Partners regarding the synergies and the measures to enhance the Company's corporate value that Taiyo Pacific Partners had explained prior to the announcement of the Tender Offer. As a result, the Company has reconfirmed that there has been no change in its judgment at this time. On the other hand, due to the fact that the period for purchase in the Tender Offer (the "Tender Offer Period") was set to expire on April 26, 2024 and the Tender Offer Price was lower than the Brother Tender Offer Price, on March 15, 2024 and April 19, 2024, the Company and the Special Committee requested Taiyo Pacific Partners to indicate its intention to change the Tender Offer Price and other purchase conditions of the Tender Offer. On April 23, 2024, the Company received a response from Taiyo Pacific Partners that it intended to increase the Tender Offer Price from 5,035 yen to 5,370 yen and to extend the Tender Offer Period in order to increase the certainty of successful completion of the Tender Offer.

After careful consideration based on the above discussions, the Company and the Special Committee have concluded that the concerns regarding possible occurrence of dis-synergies caused by the Brother Tender Offer have not been dispelled and that there has been no change in their belief that taking the Company's Stock 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. In addition, as stated in the "Notice Regarding Changes, etc. to Conditions, etc. of Tender Offer for Shares of Roland DG Corporation (Securities Code: 6789) by XYZ K.K. " announced by the Company as of today at the request of the Offeror pursuant to Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended), the Offeror has decided to increase the Tender Offer Price from 5,035 yen to 5,370 yen and to extend the Tender Offer Period to a total of 62 business days by extending the expiration date to May 15, 2024, which is the 10th business day following April 26, 2024, the date of filing of the amended statement in connection with the tender offer statement. In light of these decisions, at the meeting of the board of directors held today, the Company has resolved to maintain its opinion in favor of the Tender Offer, again changing its opinion on the Tender Offer, and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

Based on the foregoing, the Company hereby revises its "Notice Regarding Implementation of MBO and Recommendation to Tender" announced on February 9, 2024, as follows (Please note that the amended portions are underlined):

Please note that this press release is to announce the Company's opinion on the Tender Offer and is not intended to express the Company's opinion on the Brother Tender Offer. While the Company has various concerns about the Brother Tender Offer as of today, as described above, the Company will continue to seriously consider the Brother Tender Offer and will continue discussions with Brother Industries regarding the Company's opinion on the Brother Tender Offer. The Company will announce its opinion on the Brother Tender Offer as soon as it makes a formal decision.

2. Price of Purchase

(Before correction)

5,035 yen per common share (the "Tender Offer Price")

(After correction)

5,370 yen per common share (the "Tender Offer Price")

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

(1) Details of the opinion

(Before correction)

<Omitted>

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

The resolution of the board of directors was adopted in the manner described in "(IV) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below.

(After correction)

<Omitted>

At the board of directors meeting held today, the board of directors of the Company resolved to express its opinion

in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer based on the grounds and reasons set forth in "(2) Grounds and reasons for the opinion" below.

The resolution of the board of directors was adopted in the manner described in "(IV) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below.

Subsequently, at the board of directors meeting held on April 26, 2024, the Company resolved to maintain its opinion to support the Tender Offer based on the grounds and reasons described in "(2) Grounds and reasons for the opinion" below, and to once again recommend the acceptance of the Tender Offer to the shareholders of the Company.

The resolution of the board of directors was adopted by the method described in "(IV) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below.

(2) Grounds and reasons for the opinion

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

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

(Before correction)

<Omitted>

According to Taiyo Pacific Partners, based on the results of the due diligence, Taiyo Pacific Partners made a price proposal in the Taiyo Proposal to the Company on December 20, 2023, by reference to a multifaceted and comprehensive analysis of the business and financial affairs of the Company, as well as the trend of market share prices of the Company over a certain period in the past, to the effect that the Tender Offer Price shall be set at 5,035 yen (with a premium of 39.32% (rounded to the second decimal place; hereinafter the same with respect to the ratio (%) of the premium over the share price) over the simple average closing price for the month ending on December 19, 2023, which is the business day immediately prior to the proposal, of 3,614 yen (rounded to the nearest whole number; hereinafter the same with respect to the calculation of the simple average closing prices), 45.60% over the simple average closing price for the past 3 months of 3,458 yen, and 44.52% over the simple average closing price for the past 6 months of 3,484 yen).

Subsequently, according to Taiyo Pacific Partners, on January 16, 2024, Taiyo Pacific Partners received a request from the Company to increase the Tender Offer Price in order to protect the minority shareholders of the Company. In response, on January 19, 2024, Taiyo Pacific Partners informed the Company that it did not intend to increase the Tender Offer Price. In response to this, the Company confirmed the appropriateness of the price proposal to the effect that the Tender Offer Price shall be 5,035 yen at the Special Committee, and after careful consideration, on February 9, 2024, the Company responded to Taiyo Pacific Partners that it accepts such proposal.

Further, while the Offeror has commenced the Tender Offer from February 13, 2024, Taiyo Pacific Partners have received a request from the Special Committee on March 15, 2024, to respond whether it intend to change the terms and conditions of the offer in the Tender Offer. Taiyo Pacific Partners responded On March 22, that they are still considering whether to change the terms and conditions of the Tender Offer.

Subsequently, the Offeror has decided to make changes to terms and conditions, etc. of purchase pursuant to laws and regulations on March 27, 2024, based on the following circumstances: (i) As the Company decided to withdraw its recommendation to shareholders that they tender their shares to the Tender Offer and to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to each of the shareholders, the Offeror will be required to submit an Amendment Statement in connection with the Tender Offer Statement, which requires an extension of 10 days of the

period for purchase starting from the submission date of the said Amended Statement of the Tender Offer Statement pursuant to laws and regulation. (ii) However, as the Company intends to file its 43rd Annual Securities Report to the Director-General of the Tokai Local Finance Bureau on March 29, 2024, the Offeror will be required to submit an Amendment Statement in connection with the Tender Offer Statement again.

Moreover, considering that the Company has received an offer from Brother Industries, Ltd. to become its wholly owned subsidiary through a tender offer and the Target Company continues to consider its opinion on the Tender Offer, because it was considered to be appropriate to extend the Period of Purchase for another 10 Business Days to ensure there was time for consideration at the Target Company, it was decided on April 12, 2024 to extend the Period of Purchase to April 26, 2024 for a resulting total of 52 Business Days.

<Omitted>

(After correction)

<Omitted>

According to Taiyo Pacific Partners, based on the results of the due diligence, Taiyo Pacific Partners made a price proposal in the Taiyo Proposal to the Company on December 20, 2023, by reference to a multifaceted and comprehensive analysis of the business and financial affairs of the Company, as well as the trend of market share prices of the Company over a certain period in the past, to the effect that the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer (as defined below) shall be set at 5,035 yen (with a premium of 39.32% (rounded to the second decimal place; hereinafter the same with respect to the ratio (%)) of the premium over the share price) over the simple average closing price for the month ending on December 19, 2023, which is the business day immediately prior to the proposal, of 3,614 yen (rounded to the nearest whole number; hereinafter the same with respect to the calculation of the simple average closing prices), 45.60% over the simple average closing price for the past 3 months of 3,458 yen, and 44.52% over the simple average closing price for the past 6 months of 3,484 yen).

Subsequently, according to Taiyo Pacific Partners, on January 16, 2024, Taiyo Pacific Partners received a request from the Company to increase the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer (as defined below) in order to protect the minority shareholders of the Company. In response, on January 19, 2024, Taiyo Pacific Partners informed the Company that it did not intend to increase the Tender Offer Price. In response to this, the Company confirmed the appropriateness of the price proposal to the effect that the Tender Offer Price shall be 5,035 yen at the Special Committee, and after careful consideration, on February 9, 2024, the Company responded to Taiyo Pacific Partners that it accepts such proposal.

Further, while the Offeror has commenced the Tender Offer from February 13, 2024, Taiyo Pacific Partners have received a request from the Special Committee on March 15, 2024, to respond whether it intend to change the terms and conditions of the offer in the Tender Offer. Taiyo Pacific Partners responded On March 22, that they are still considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer.

Subsequently, the Offeror has decided to make changes to the Tender Offer Period pursuant to laws and regulations on March 27, 2024, based on the following circumstances: (i) As the Company decided to withdraw its recommendation to shareholders that they tender their shares to the Tender Offer and to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to each of the shareholders, the Offeror will be required to submit an Amendment Statement in connection with the Tender Offer Statement, which requires an extension of 10 days of the period of the Tender Offer (the "Tender Offer Period") until the period for purchase starting from the submission date of the said Amended Statement of the Tender Offer Statement pursuant to laws and regulation. (ii) However, as the Company intends to file its 43rd Annual Securities Report to the Director-General of the Tokai Local Finance Bureau on March 29, 2024, the Offeror will be required to submit an Amendment Statement in connection with the Tender Offer Statement again.

Moreover, considering that the Company has received an offer from Brother Industries, Ltd. to become its wholly owned subsidiary through a tender offer and the Target Company continues to consider its opinion on the Tender Offer, because it was considered to be appropriate to extend the Period of Purchase for another 10 Business Days to ensure there was time for consideration at the Target Company, it was decided on April 12, 2024 to extend the Period of Purchase to April 26, 2024 for a resulting total of 52 Business Days.

Subsequently, on April 19, 2024, the Company and the Special Committee requested Taiyo Pacific Partners to indicate whether it intends to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price, and on April 23, 2024, Taiyo Pacific Partners, in order to increase the certainty of the closing of the Tender Offer, has responded that it intends to increase the Tender Offer Price from 5,035 yen to 5,370 yen. Consequently, the Tender Offeror decided to change the Tender Offer Price from 5,035 yen to 5,370 yen (the "Changes in the Terms and Conditions of the Tender Offer") and extended the Tender Offer Period to May 15, 2024, the date on which 10 business days have elapsed from April 26, 2024, the date of submission of an Amendment Statement in connection with the Tender Offer Statement, for a total of 62 business days.

<Omitted>

(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer
(Before correction)

<Omitted>

With respect to the Tender Offer Price, the Company received a proposal to set it at 5,035 yen in the Taiyo Proposal received from Taiyo Pacific Partners on December 20, 2023. Based on the report received from Nomura Securities on the results of the trial calculation of the value of the Company's Stock and the opinion of the Special Committee, with the advice of Nomura Securities, on January 16, 2024, the Company requested Taiyo Pacific Partners to raise the Tender Offer Price in order to protect the minority shareholders of the Company. Later, on January 19, 2024, the Company received a response from Taiyo Pacific Partners that it did not intend to raise the Tender Offer Price. Upon receipt of the response, the Company had the Special Committee confirm whether the proposal to set the Tender Offer Price at 5,053 yen was reasonable, and after giving careful consideration, the Company responded to Taiyo Pacific Partners that it intended to accept the proposal on February 9, 2024.

The Company has also determined that the Tender Offer Price of 5,035 yen is a reasonable price at which the interests to be enjoyed by the minority shareholders of the Company are secured, and that the Tender Offer provides the minority shareholders of the Company with a reasonable opportunity to sell their shares of the Company's Stock at a price with an appropriate premium, based on the following reasons:

- (i) The Tender Offer Price is the price agreed upon by the Company through the sufficient negotiations with the Offeror with the involvement of the Special Committee after taking appropriate measures to ensure the fairness of the terms of the Transaction, including the Tender Offer Price, as described in "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer." In addition, the Taiyo Proposal ultimately proposes the highest price among the prices proposed by all Alliance Candidates;
- (ii) Based on the results of the valuation of the Company's Stock by Nomura Securities in the share valuation report (the "Share Valuation Report (Nomura Securities)"), the Tender Offer Price exceeds the upper limit of the respective ranges derived under the average market share price method and the comparable company method and exceeds the median (4,867 yen) of and is within the range derived under the discounted cash flow method (the "DCF method"). The Company published the "Notice of Revisions of Financial Results Forecast" on November 9, 2023, and made downward adjustments to the financial results forecast for the fiscal year ended December 2023. However, in preparing the business plan (the

"Business Plan") on which the results of the valuation of the Company's Stock by Nomura Securities are based, Nomura Securities conducted interviews with the Company several times and analyzed and reviewed the contents thereof. The Special Committee also received the explanations from the Company regarding its Business Plan, its contents, important preconditions, and the process of its preparation (including the fact that Mr. Kohei Tanabe and Mr. Brian K. Haywood were not involved in the preparation of the Business Plan), with the financial advice of Nomura Securities, and confirmed the reasonableness of these matters. Accordingly, the Company believes that there is nothing unreasonable in the preparation process and the contents of the Business Plan;

- (iii) Based on the results of the valuation of the Company's Stock by Nomura Securities as described in "(I) Procurement by the Company of a share valuation report from an independent third-party valuator" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer," the Tender Offer Price exceeds the upper limit of the calculation ranges derived under the average market share price method and the comparable company method and exceeds the median (4,867 yen) of and is within the calculation range derived under the DCF method. In addition, the Tender Offer Price is at a premium of 29.27% over the closing price of the Company's Stock of 3,895 yen on the Prime Market of the TSE as of February 8, 2024, which is the business day immediately preceding the announcement date of the commencement of the Tender Offer; at a premium of 32.85% over the simple average closing price of 3,790 yen for the most recent one month; at a premium of 36.97% over the simple average closing price of 3,676 yen for the most recent three months; and at a premium of 42.55% over the simple average closing price of 3,532 yen for the most recent six months. Although they are not necessarily higher compared to the level of premiums granted at the time of determining the purchase prices in the 38 cases of management buyout (MBO) targeted at domestic listed companies (excluding the cases where a target company was insolvent) that were announced during the period from February 9, 2021 to February 8, 2024 (the average and the median of the premiums over the closing price as of the business day immediately preceding the announcement date: 45.85% and 45.59%; the average and the median of the premiums over the simple average closing price for the most recent one month: 48.76% and 49.41%; the average and the median of the premiums over the simple average closing price for the most recent three months: 52.45% and 53.69%; and the average and the median of the premiums over the simple average closing price for the most recent six months: 54.16% and 55.78%), they are almost close and comparable to the level of the premiums in the past cases and a certain level of premiums are added as described above. Therefore, the Tender Offer Price is considered to be at a reasonable level to provide the minority shareholders of the Company with an opportunity to recover their investment; and
- (iv) The Tender Offer Price has also been determined to be reasonable in the Report obtained from the Special Committee, as described in "(II) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer " below.

For the foregoing reasons, the Company has determined that the Transaction will contribute to the enhancement of the corporate value of the Company and that the terms of the Transaction, including the Tender Offer Price, are reasonable. Therefore, at the meeting of the board of directors held today, the Company expressed its support for the Transaction and resolved to recommend that the shareholders of the Company tender their shares in the Tender Offer.

<Omitted>

The Special Committee then held a meeting on March 14, 2024, deciding to indicate whether the Taiyo Pacific

Partners intend to change the terms and conditions of the offer in the Tender Offer since the price of the Tender Offer (5,035 yen) (the "Tender Offer Price") was below both the closing market price of the Company's Shares after the announcement of the scheduled commencement of the Brother Tender Offer and the tender offer price in the Brother Tender Offer (5,200 yen) (the "Brother Tender Offer Price"). On March 15, 2024, the Special Committee provided a letter representing the above request, and while Taiyo Pacific Partners responded on March 22, 2024, that they were still considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price, the Company has not yet received a clear view of the Taiyo Pacific Partners as of March 26, 2024.

<Omitted>

- (a) The fact that the Transaction contributes to the enhancement of the Company's corporate value, and the purpose of the Tender Offer and the Transaction is deemed to be legitimate and rational remains as set forth in the Report. While receiving a response that Taiyo Pacific Partners is currently considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price (5,035 yen) but not receiving a clear view from them as of March 26, 2024, and the announcement of the plan to commence Brother Tender Offer has released are circumstances that would not substantively affect the contents of the Report described above. However, with respect to whether the Brother Tender Offer is a transaction that will enhance the corporate value of the Company over the mid- to long-term, while a certain degree of synergies are expected, the possibility of corresponding dis-synergies is also expected to occur, and in the course of discussions with Brother Industries conducted after the announcement regarding the plan to commence the Brother Tender Offer and up until March 26, 2024, despite the explanations provided by the Brother Industries, the Company and the Special Committee have not yet been able to resolve the aforementioned concerns and believe that careful consideration will continue to be necessary subject to further discussions with Brother Industries. Therefore, even as of now, it cannot be said that the Company's board of directors' decision to maintain its opinion in favor of the Tender Offer is unreasonable. Provided that, it is worth noting that the Company's opinion in favor of the Tender Offer may change subject to further discussions between the Company and Brother Industries.
- (b) The fact that the procedures pertaining to the Transaction are fair, that sufficient consideration has been given to the interests of the Company's minority shareholders (general shareholders) through fair procedures in the Transaction, and that the adequacy of the terms and conditions of the Transaction has been ensured remains as set forth in the Report. However, in addition to the change in the market price of the Company's shares after the announcement of the plan to commence the Brother Tender Offer, taking into account that while receiving a response that Taiyo Pacific Partners is currently considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price (5,035 yen) but not receiving a clear view from them as of March 26, 2024, even under the circumstances where the announcement regarding the plan to commence the Brother Tender Offer Price of 5,200 yen per share of the Company's shares has been made, the decision by the Company's board of directors to withdraw their opinion encouraging the shareholders of the Company to tender their shares to the Tender Offer, and to take a neutral stance on the matter of whether or not the shareholders of the Company should tender their shares to the Tender Offer cannot be deemed unreasonable, and do not constitute disadvantageous circumstances for the minority shareholders (general shareholders) of the Company.

<Omitted>

Considering the above advice reported by the Special Committee, the Company has resolved in its board of director's meeting held on March 26, 2024, to withdraw its recommendation that the shareholders of the Company tender their shares to the Tender Offer, while maintaining a neutral stance as to whether or not the shareholders of the Company tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to the shareholder's discretion. However, the Company's opinion in favor of the Tender Offer may change subject to further discussions between the Company and Brother Industries.

Please note that all 4 auditors attended the above board of directors meeting and have given their opinion that they have no objection to the above resolution.

(After correction)

<Omitted>

With respect to the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer, the Company received a proposal to set the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer at 5,035 yen in the Taiyo Proposal received from Taiyo Pacific Partners on December 20, 2023. Based on the report received from Nomura Securities on the results of the trial calculation of the value of the Company's Stock and the opinion of the Special Committee, with the advice of Nomura Securities, on January 16, 2024, the Company requested Taiyo Pacific Partners to raise the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer in order to protect the minority shareholders of the Company. Later, on January 19, 2024, the Company received a response from Taiyo Pacific Partners that it did not intend to raise the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer. Upon receipt of the response, the Company had the Special Committee confirm whether the proposal to set the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer at 5,053 yen was reasonable, and after giving careful consideration, the Company responded to Taiyo Pacific Partners that it intended to accept the proposal on February 9, 2024.

The Company has also determined that the Tender Offer Price of 5,035 yen before the Changes in the Terms and Conditions of the Tender Offer is a reasonable price at which the interests to be enjoyed by the minority shareholders of the Company are secured, and that the Tender Offer provides the minority shareholders of the Company with a reasonable opportunity to sell their shares of the Company's Stock at a price with an appropriate premium, based on the following reasons:

- (i) The Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer is the price agreed upon by the Company through the sufficient negotiations with the Offeror with the involvement of the Special Committee after taking appropriate measures to ensure the fairness of the terms of the Transaction, including the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer, as described in "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer." In addition, the Taiyo Proposal ultimately proposes the highest price among the prices proposed by all Alliance Candidates;
- (ii) Based on the results of the valuation of the Company's Stock by Nomura Securities in the share valuation report (the "Share Valuation Report (Nomura Securities)"), the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer exceeds the upper limit of the respective ranges derived under the average market share price method and the comparable company method and exceeds the median (4,867 yen) of and is within the range derived under the discounted cash flow method (the "DCF method"). The Company published the "Notice of Revisions of Financial Results Forecast" on November 9, 2023, and made downward adjustments to the financial results forecast for the fiscal year ended December 2023. However, in preparing the business plan (the "Business Plan") on which the results of the valuation of the Company's Stock by Nomura Securities are based, Nomura Securities conducted interviews with the Company several times and analyzed and reviewed the contents thereof. The Special Committee also received the explanations from the Company regarding its Business Plan, its contents, important preconditions, and the process of its preparation (including the fact that Mr. Kohei Tanabe and Mr. Brian K. Haywood were not involved in the preparation of the Business Plan), with the financial advice of Nomura Securities, and confirmed the reasonableness of these matters. Accordingly, the Company believes that there is nothing unreasonable in the preparation process and the contents of the Business Plan;

- (iii) Based on the results of the valuation of the Company's Stock by Nomura Securities as described in "(I) Procurement by the Company of a share valuation report from an independent third-party valuator" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer," the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer (as defined below) exceeds the upper limit of the calculation ranges derived under the average market share price method and the comparable company method and exceeds the median (4,867 yen) of and is within the calculation range derived under the DCF method. In addition, the Tender Offer Price is at a premium of 29.27% over the closing price of the Company's Stock of 3,895 yen on the Prime Market of the TSE as of February 8, 2024, which is the business day immediately preceding the announcement date of the commencement of the Tender Offer; at a premium of 32.85% over the simple average closing price of 3,790 yen for the most recent one month; at a premium of 36.97% over the simple average closing price of 3,676 yen for the most recent three months; and at a premium of 42.55% over the simple average closing price of 3,532 yen for the most recent six months. Although they are not necessarily higher compared to the level of premiums granted at the time of determining the purchase prices in the 38 cases of management buyout (MBO) targeted at domestic listed companies (excluding the cases where a target company was insolvent) that were announced during the period from February 9, 2021 to February 8, 2024 (the average and the median of the premiums over the closing price as of the business day immediately preceding the announcement date: 45.85% and 45.59%; the average and the median of the premiums over the simple average closing price for the most recent one month: 48.76% and 49.41%; the average and the median of the premiums over the simple average closing price for the most recent three months: 52.45% and 53.69%; and the average and the median of the premiums over the simple average closing price for the most recent six months: 54.16% and 55.78%), they are almost close and comparable to the level of the premiums in the past cases and a certain level of premiums are added as described above. Therefore, the Tender Offer Price is considered to be at a reasonable level to provide the minority shareholders of the Company with an opportunity to recover their investment; and
- (iv) The Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer has also been determined to be reasonable in the Report obtained from the Special Committee, as described in "(II) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under "(6) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Transaction, including the Tender Offer" below.

For the foregoing reasons, the Company has determined that the Transaction will contribute to the enhancement of the corporate value of the Company and that the terms of the Transaction, including the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer, are reasonable. Therefore, at the meeting of the board of directors held on February 9, 2024, the Company expressed its support for the Transaction and resolved to recommend that the shareholders of the Company tender their shares in the Tender Offer.

<Omitted>

The Special Committee then held a meeting on March 14, 2024, deciding to indicate whether the Taiyo Pacific Partners intend to change the terms and conditions of the offer in the Tender Offer since the price of the Tender Offer before the Changes in the Terms and Conditions of the Tender Offer (5,035 yen) was below both the closing market price of the Company's Shares after the announcement of the scheduled commencement of the Brother Tender Offer and the tender offer price in the Brother Tender Offer (5,200 yen) (the "Brother Tender Offer Price"). On March 15, 2024, the Special Committee provided a letter representing the above request, and while Taiyo Pacific Partners responded on March 22, 2024, that they were still considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price before the Changes in the Terms and Conditions of the Tender

Offer, the Company has not yet received a clear view of the Taiyo Pacific Partners as of March 26, 2026.

<Omitted>

- (a) The fact that the Transaction contributes to the enhancement of the Company's corporate value, and the purpose of the Tender Offer and the Transaction is deemed to be legitimate and rational remains as set forth in the Report. While receiving a response that Taiyo Pacific Partners is currently considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price (5,035 yen) before the Changes in the Terms and Conditions of the Tender Offer but not receiving a clear view from them as of March 26, 2024, and the announcement of the plan to commence Brother Tender Offer has released are circumstances that would not substantively affect the contents of the Report described above. However, with respect to whether the Brother Tender Offer is a transaction that will enhance the corporate value of the Company over the mid- to long-term, while a certain degree of synergies are expected, the possibility of corresponding dis-synergies is also expected to occur, and in the course of discussions with Brother Industries conducted after the announcement regarding the plan to commence the Brother Tender Offer and up until March 26, 2024, despite the explanations provided by the Brother Industries, the Company and the Special Committee have not yet been able to resolve the aforementioned concerns and believe that careful consideration will continue to be necessary subject to further discussions with Brother Industries. Therefore, even as of now, it cannot be said that the Company's board of directors' decision to maintain its opinion in favor of the Tender Offer is unreasonable. Provided that, it is worth noting that the Company's opinion in favor of the Tender Offer may change subject to further discussions between the Company and Brother Industries.
- (b) The fact that the procedures pertaining to the Transaction are fair, that sufficient consideration has been given to the interests of the Company's minority shareholders (general shareholders) through fair procedures in the Transaction, and that the adequacy of the terms and conditions of the Transaction has been ensured remains as set forth in the Report. However, in addition to the change in the market price of the Company's shares after the announcement of the plan to commence the Brother Tender Offer, taking into account that while receiving a response that Taiyo Pacific Partners is currently considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price (5,035 yen) before the Changes in the Terms and Conditions of the Tender Offer but not receiving a clear view from them as of March 26, 2024, even under the circumstances where the announcement regarding the plan to commence the Brother Tender Offer Price of 5,200 yen per share of the Company's shares has been made, the decision by the Company's board of directors to withdraw their opinion encouraging the shareholders of the Company to tender their shares to the Tender Offer, and to take a neutral stance on the matter of whether or not the shareholders of the Company should tender their shares to the Tender Offer cannot be deemed unreasonable, and do not constitute disadvantageous circumstances for the minority shareholders (general shareholders) of the Company.

<Omitted>

Considering the above advice reported by the Special Committee, the Company has resolved in its board of director's meeting held on March 26, 2024, to withdraw its recommendation that the shareholders of the Company tender their shares to the Tender Offer, while maintaining a neutral stance as to whether or not the shareholders of the Company tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to the shareholder's discretion. However, the Company's opinion in favor of the Tender Offer may change subject to further discussions between the Company and Brother Industries.

Please note that all 4 auditors attended the above board of directors meeting and have given their opinion that they have no objection to the above resolution.

Moreover, after a public announcement was made with respect to the scheduled commencement of the Brother Tender Offer on March 13, 2024, the Company continued discussions in good faith regarding both the Tender Offer and the Brother Tender Offer with Brother Industries and Taiyo Pacific Partners, in conjunction with the Special Committee, in order to carefully consider whether it is possible to maintain its opinion in favor of the Tender Offer.

Brother Industries explained the significance of the Brother Tender Offer and expectations regarding synergies and dis-synergies to the Special Committee on March 19, 2024 and the Company Executive Office (meaning the Managing Executive Officer of the Company, who is leading the discussion and negotiation regarding this issue on the executive side of the Company) and the Board of Directors (excluding Representative Director, President and Executive Officer of the Company, Mr. Kohei Tabe, and Outside Director, Mr. Brian K. Haywood) on April 5, 2024. However, as of April 5, 2024, the Company and the Special Committee had not yet been able to eliminate concerns about the feasibility of or dis-synergies resulting from the Brother Tender Offer. The Company's concern regarding the Brother Tender Offer is the "Likelihood of decline in the competitiveness of the Company's products due to the occurrence of dis-synergies and the resulting decline in corporate value from the mid- to long-term perspective" but the major dis-synergies specifically assumed are as follows: The Company is continuing discussions with Brother Industries Regarding the feasibility of generating synergies and dis-synergies resulting from the Brother Tender Offer. However, in the "Notice Concerning Change of Opinion Pertaining to the Tender Offer for the Company's Common Shares by XYZ K.K." announced on March 26, 2024, it was announced that the Company's opinion in favor of the Tender Offer may be subject to change depending on the status of further discussions between the Company and Brother Industries Based on the status of discussions with Brother Industries. after the announcement of the scheduled commencement of the Brother Tender Offer, the status of the Company's consideration of the feasibility of generating synergies and concerns regarding the occurrence of dis-synergies from the Brother Tender Offer is considered to be important information for the shareholders to make their judgment regarding the Tender Offer. As such, the following is the Company's opinion as of April 26, 2024. The amendments to this press release express the Company's opinion with respect to the Tender Offer and do not express the Company's opinion with respect to the Brother Tender Offer. Although the Company has various concerns about the Brother Tender Offer as of today, as described above, the Company will continue to seriously consider the Brother Tender Offer and will continue discussions with Brother Industries and will promptly will notice the Company's opinion on the Brother Tender Offer as soon as the Company will make a formal decision. However, the following matters may be changed based on future discussions with Brother Industries.

- (I) With respect to the core parts for industrial printers (printer heads), which are the Company's flagship products, there is a high probability that the business terms and conditions, including the purchase prices, will deteriorate from the Major Supplier A (defined below; hereinafter the same) to the Company. Furthermore, there is a high probability that the supply for state-of-the-art printer heads equipped with the latest technology from the Major Supplier A will not be given priority. In addition, there is a high probability that the Company will not be able to closely cooperate in product development from an early stage, including quality support, and will not be able to receive technical support even after the product launch
- The Company currently purchases some of the core parts for the Company's products, printer heads, from Brother Industries About 80% of the printer heads are supplied by the business operator (the "Major Supplier A"), which boasts excellent performance and a wide range of printer heads. The Company believes that the value the Company wishes to achieve or provide to its customers cannot be realized without the printer heads of the Major Supplier A, which are compatible with a wide range of inks and enable high-speed, high-definition printing.
 - The Company recognizes that it presently conducts transactions with the Major Supplier A under very favorable conditions including purchase prices. In addition, among the products manufactured by the Major Supplier A, the Company receives supplies of state-of-the-art printer heads equipped with the latest technology. The Company regards the supply of state-of-the-art printer heads as one of the most important components in providing customers with high function products with higher profit margins than general purpose products in the context of competition with competitors in the market and, as a result, securing high profit margins. It is also assumed in the business plan that the Company will continue to be supplied with state of the art printer heads by the Major Supplier A.
 - In addition, the Company is working closely with the Major Supplier A in the early stages of product

- development and in the post-launch period, including in the area of quality support. The Company is aware that it conducts transactions with the Major Supplier A under very favorable conditions through active interactions with their technical staff and receiving technical assistance. We understand that this contributes to the early start of development in the Company and the maintenance of stable quality of the Company's products
- On the other hand, if the Company becomes a part of Brother Industries (including becoming a subsidiary or associated company of Brother Industries) through the Brother Tender Offer, there is a high probability that the Company and the Major Supplier A will change from a favorable relationship to a competitive relationship and that the current purchase conditions assuming a favorable relationship with respect to printer heads currently supplied by the Major Supplier A and printer heads that are to be newly developed will not be maintained. In addition, there is a high probability that the supply of state-of-the-art printer heads and the Company's product development will not receive close cooperation and technical support including close cooperation from an early stage and quality support after product launch, and there will be dis-synergies resulting from a change in transaction details and conditions (delay or suspension of development of the Company's products due to a price increase or lack of cooperation from the Major Supplier A), and there will be a deterioration in the quality and competitiveness of the Company's products.
 - The Company confirmed with the Major Supplier A its thoughts on future transactions if the Company becomes a part of Brother Industries and on April 11, 2024, the Company sent a questionnaire to the Major Supplier A for their confirmation in this regard. On 11 April 2024, the Company received a formal response from the Major supplier A, stating that it was inevitable that the Major Supplier A consider reviewing its business relationship with its key partner regarding price offers, supply of state-of-the-art printer heads, close collaboration on the Company's product development from an early stage and close collaboration including quality support after product launch, and technical support.
 - As described above, the Company believes that the probability of the occurrence of dis-synergies resulting from (I) is reasonably high.
 - Although the Company have also considered the alternative option of using printer heads of suppliers other than the Major Supplier A and Brother Industries Inc., (i) there is no guarantee that a close relationship, such as the current business relationship between the Company and the Major Supplier A, can be established with other suppliers in the first place, and (ii) even assuming that a relationship can be established with other suppliers equivalent to the current business relationship between the Company and the Major Supplier A, it is difficult for the Company to achieve the same quality and variety of line-up for printer heads as those currently supplied by the Major Supplier A, and it is expected that considerable time will be required to develop products mainly consisting of printer heads of such other suppliers, and therefore, we believe that this option is not feasible.
- (II) If it becomes difficult to maintain transactions with the Major Supplier A in a manner similar to that in the past, the volume of printer heads manufactured by Brother Industries may increase. However, since the printer heads of Brother Industries cannot cover the lineup of printers of the Major Supplier A, development of new products by the Company cannot be implemented as planned, and as a result, it is likely that the product lineup of the Company cannot be satisfied, and the financial results of the Company will be significantly affected. In addition, the products in which the printer heads of Brother Industries are installed may have adverse impact on the performance of the Company's products, production process and customers.
- If, as a result of the occurrence of such dis-synergy as set forth in (I) above, it becomes difficult to maintain transactions with the Major Supplier A in a manner similar to that in the past due to the competitive relationship between the Company and such Major Supplier A, it is likely that the volume of printer heads manufactured by Brother Industries will increase as a substitute. However, since the printer heads of Brother Industries cannot cover the lineup of printer heads of such major suppliers, it is likely that development of new products by the Company will not be able to be conducted as planned and, as a result, the Company's product lineup will not be satisfied, and there will be a significant impact on the Company's financial results.
 - In addition, with respect to printer heads of Brother Industries, the ratio of the number of defective products to

the total number of products produced is higher than that of printer heads of suppliers other than Brother Industries in which the Company purchases, and it is therefore necessary to conduct inspection on all nozzles (it refers to inspection by image verification of all nozzles; hereinafter the same) in the Company before installing the printer in the Company products (at present, when using printer heads manufactured by suppliers other than Brother Industries, the Company does not carry out the above mentioned inspection on all nozzles), which would increase the cost of manufacturing the Company's products and would have a material adverse impact on the Company's production process and customers. Therefore, we will be unable to compensate for the loss associated with the occurrence of dis-synergies mentioned in (I) above, which will result in the deterioration of the quality and competitiveness of the Company's products.

(III) Based on the background and track record of past collaboration and transaction with Brother Industries, there is possibility that the Company's competitiveness will decline due to differences in corporate and technology strategy, and corporate culture.

- The Company places value creation and market creation at the core of its growth. The Company believes that it is important to promote flexible business operations in addition to adaptability to market changes such as diversification of needs. The Company aims to create a market with a sense of speed by promoting transformation to an organizational structure that realizes rapid decision making, accurately capturing market changes.
- Under these circumstances, the Company and Brother Industries have been working together to consider cross-selling of their products and promote joint development projects for industrial printers, in addition to the business relationship of purchasing and selling parts. In the course of such transaction and collaboration, (i) Due to insufficient communication with Brother Industries, the price of the printer head initially quoted in 2020 was revised and withdrawn later in 2021 due to a change in the division in charge due to internal circumstances at Brother Industries, which forced a significant increase in procurement costs for the Company; and (ii) in the course of this collaboration, Brother Industries had repeatedly asserted that we reduce the specifications of the products we develop, claiming that Brother Industries had no accumulated knowledge in the industrial printing sector and that Brother Industries did not possess the technology. Under such circumstances, the Company has come to clearly realize that there are strong differences in terms of communication, cooperation and speed between divisions and subsidiaries, as well as its views and corporate culture concerning technical strategies, sales strategies, etc. in the industrial printing sector. If the Company becomes a part of Brother Industries, it will be difficult to quickly adapt to market changes such as diversification of needs, and creating a market with a high sense of speed. There is a concern that a large number of our excellent global human resources will leave the Company. If these concerns materialize, the Company's competitiveness will be impaired and the Company's corporate value will be damaged.

Subsequently, in order to reiterate the outline of the response received from the Major Supplier A as described in (I) above and the Company's views regarding the feasibility of synergy generation through the Brother Tender Offer and concerns regarding the generation of dis-synergy, the Company sent a letter of inquiry to Brother Industries on April 10, 2024 regarding such concerns and requested an interview with Brother Industries, and held a meeting with Brother Industries on April 16, 2024. On April 23, 2024, we received an explanation of Brother Industries' views on each of our concerns. At the meeting, Brother Industries explained that, with respect to the transaction with the Major Supplier A, considering that (a) the Major Supplier A merely stated that it would "consider" a review rather than review the business relationship itself, and the specifics of how the terms of the transaction would be reviewed are not clear, and thus the concern is not considered to be beyond the scope of a general "review of business relationships" that occurs in transactions involving a change in control of an operating company, (b) the Major Supplier A is investing in manufacturing facilities for printer heads and actively expanding its external sales business, (c) Brother Industries and the Major Supplier A are not in a competitive relationship, and (d) Brother Industries and the Major Supplier A are not in a competitive relationship. (c) Brother Industries and Major Supplier A are not in a

competitive relationship; (d) Brother Industries and the Major Supplier A have a friendly relationship with respect to patent licensing and other agreements (the "License Agreements"), and it is difficult to imagine that Major Supplier A would take any action that could lead to a deterioration in its relationship with Brother Industries in a wide range of areas, there would be no change or deterioration in the business relationship and dis-synergies would not occur. Therefore, on April 24, 2024, the Company again inquired of the Major Supplier A regarding its thoughts on future transactions if the Company were to become a part of Brother Industries, and on April 25, 2024, the Company received a formal response from the Major Supplier A, which is outlined below:

- The Major Supplier A positions the Company as an important business partner regarding printer heads, and with respect to printer heads developed and manufactured, the Major Supplier A provides the Company with (1) sales at competitive prices as an important partner, (2) close collaboration, including the supply of cutting-edge printer heads, close collaboration with the Company from the early stages of product development and quality support after product launch, and (3) a technical support (collectively the "Current Business Relationship");
- If the Tender Offer is successful, the Company will continue to be an important business partner and key partner of the Major Supplier A, and the Company do not intend to change its Current Business Relationship with the Major Supplier A; and
- The sales destinations and transaction details of the Major Supplier A's printer head external sales business are determined on an individual basis, taking into consideration the competition and relationship between the sales destination and the group to which the company belongs and the Major Supplier A's group, as well as Major Supplier A's business strategy and other factors and in the event that the Company becomes a member of Brother Industries, the Major Supplier A's perception of the relationship between the Company and the Major Supplier A with respect to the printer head business will change from that of an important business partner to that of a competitor, therefore, the Company believes that (i)it will be difficult to purchase the printer heads currently sold to the company at the prices the Company are paying as a key partner and that the Major Supplier A will have to substantially revise the current pricing, (ii)it will be difficult for the Major Supplier A to sell printer heads other than those currently sold by the Major Supplier A to the Company (including printer heads to be installed in new products to be launched by the Company in the future and cutting-edge printer heads to be launched by the Major Supplier A in the future), and that the Company has no choice but to cease its close collaboration in product development from the early stage and its close cooperation and technical support, including quality support, after the launch of our products.

In order to make an objective and quantitative assessment of the Company's concerns regarding the likelihood of dis-synergies resulting from the Brother Tender Offer, the Company requested Resolve & Capital, a business consulting service provider ("R&C"), to evaluate and estimate the likelihood that the Company's becoming part of the Brother Industries group would trigger the above-mentioned revision of the Current Business Relationship as described in the Major Supplier A's response and the resulting impact on the Company's financial results. On April 25, 2024, the Company received a report from R&C to the effect that based on the above-mentioned response from the Major Supplier A, (A) there is a considerable risk that the Major Supplier A will increase the price of the printheads it currently sells to the Company; (B) although the risk of a complete cessation of supply of existing products is low from the standpoint of the supplier's responsibility, there is a high probability that the Company will not be able to obtain future technical information and the latest type of printheads, which involves a risk of causing a cessation of development of the Company's products or a serious delay in their market introduction; and (C) there is a risk that the effects of (A) and (B) above may reduce the competitiveness and cash-generating ability of the Company's products, and the resulting decrease in the Company's share in the industrial printer market and the Company's R&D expenses would lead to further long-term damage to the Company's corporate value. On the quantitative side, if the Company becomes part of the Brother Industries group, it is highly likely that the Company will experience dis-synergies of 5 billion yen on the basis of operating profit for the fiscal year ending December 31, 2026 (a decrease of approximately 80% compared to the projected operating profit of 6.3 billion yen for the fiscal year ending December 31, 2026) and

it is reasonably expected that the Company's performance would deteriorate even after that. The Company believes that this report confirms the Company's concerns regarding the likelihood of the occurrence of dis-synergies.

At the meeting held on April 23, 2024, the Company was briefed on the views of Brother Industries with respect to not only the transactions with the Major Supplier A, but also other concerns of the Company. None of these matters dispelled the concerns of the Company regarding the feasibility of generating synergies or the probability of generating dis-synergies. Therefore, in order to continue discussions with Brother Industries a document explaining the reasons for said concerns was sent by the Company to Brother Industries on April 25, 2024, taking into consideration that a request for a meeting with Brothers Industries, to explain the reasons for said concerns did not materialize due to circumstances of Brother Industries. Since then, no additional explanation has been received from Brother Industries in response to the Company Explanation, and therefore, as of April 26, 2024, Brother Industries' concerns regarding the feasibility of generating assumed synergies and the probability of generating dis-synergies remain unchanged. In response to the explanation received from Brother Industries in connection with the Brother Tender Offer, the Company's concerns regarding the feasibility of such synergies are as follows:

(A) Development: whether the "utilization" of Brother Industries' technologies will lead to strengthening the competitiveness of the Company's products.

- Brother Industries explained that it would be possible to enhance the competitiveness of the Company's products by utilizing Brother's inkjet technology and other assets. However, the Company believes that Brother's printer heads are difficult to use and that there are hurdles in developing competitive products based on Brother Industries' technology (For example, the printer head of Brother Industries generates more heat when the head drive frequency is increased in order to improve productivity than the printer head of other companies. Therefore, the Company's current products that use the printer head of Brother Industries can only use low-viscosity ink and has to incorporate a cooling fan. On the other hand, since UV inks used for a wide variety of applications on the market are to be used with a reduced viscosity by warming high-viscosity inks, an ink heater needs to be placed near the printer head. However, since it conflicts with the cooling fans mentioned above, the Company believes that the difficulty in handling UV inks is high). In addition, Brother Industries' printer head lineup cannot cover the lineup of the Company products and it is difficult to say that the number of patents held in areas to secure the competitive advantage of the Company products is substantial, and therefore, we believe that this does not lead to the differentiation of the Company's products and consequently, the maintenance and improvement of the Company's competitive advantage.
- Showa Seiki Co., Ltd., a group company of Brother Industries, which engages in large machine processing using five-sided processing machines and large machining centers, has a long standing cooperative relationship with the Company. The Company received explanation that participation in the Brother Industries Group is expected to demonstrate synergies in two areas, being the DGSHAPE business and Digital Fabrication. However, the Company's collaboration with Showa Seiki Co., Ltd. is limited in the manufacture and sale of dental processing machines, which account for most of the sales of DGSHAPE business, and there is no specific explanation at present as to how synergies will be generated as a result of the Company's participation in Brother Industries Group. Therefore, we believe that the feasibility of such synergies is unclear.
- The Company received explanation that the technology transfer from Brother Industries' industrial equipment business to the Company will contribute to improving the share of dental clinics and improving sales of dental clinics in the DGSHAPE business. However, Brother Industries' industrial equipment is large, and we believe that there are difficulties in introducing them to dental clinics which the Company targets.

(B) Manufacturing: how much reduction in manufacturing costs can be expected.

- Brother explained to the Company that it is possible to reduce manufacturing costs through joint purchasing with Brother Industries' Printing and Solutions business. However, electronic components, which have room for standardization of components, account for a limited share of procurement costs. Given that both companies have manufacturing bases in different countries overseas, it is unclear at present to what extent there are specific opportunities and effects for mutual utilization of manufacturing bases and procurement networks.
- (C) Sales and marketing: based on past results, to what extent can cross-selling sales be expanded.
 - Brother explained to the Company that it aims to expand sales of the Company's products by cross-selling, and mutually utilizing the sales channel and customer base that are complementary to both companies. However, although both companies have explored the possibility of cross-selling in the past, the results of cross-selling are very limited due to competition in sales channels around the world. In light of these past results, it is difficult to assume that there will be a large increase in cross-selling in the future, and we believe that it is unclear at present how much cross-selling sales are actually possible
- (D) Resource utilization: it is unclear what the specific plan is for how much research and development personnel will be shifted for the Company's growth.
 - Brother Industries explained that it is possible to enhance the companies the mid- to long-term corporate value by utilizing Brother Industries' wide range of resource and development resources, such as soil, human, and financial resources. However, the Company recognizes that the shift of research and development personnel is a challenge for Brother Industries as the consumer printer business, which is Brother's main business, is expected to shrink in the future due to the trend of paperless office work and the decrease in New Year's postcards. Under such circumstances, there is no explanation as to what kind of resource and development human resources will be invested in the Company as resources, or specific plans for what kind of resources will be invested in which business fields, and therefore, we believe that the merits in terms of resource utilization are unclear at this point.

In addition, in relation to Taiyo Pacific Partners, in order to confirm whether there is any change in the judgment that the Tender Offer will contribute to the further growth and enhancement of the corporate value of the Company, on April 19, 2024, the Special Committee held an interview with Taiyo Pacific Partners. Through this interview, the Company considered synergies from the Transactions and measures to improve the corporate value of The Company. The Company reaffirmed that there is no change in the judgment at this time with respect to the contents of the explanation received from Taiyo Pacific Partners prior to the announcement of the Tender Offer, and confirmed that the synergies from the Transactions and measures to improve the corporate value of the Company are specific compared to the abstract and unlikely synergy items under the Brother Tender Offer. In other words, The Company Pacific Partners has invested in The Company for many years, over 19 years, and from March 2020, has been directly involved in the enhancement of the corporate value of The Company through the dispatch of outside directors and the provision of advisory services, and is familiar with the management issues to be resolved as well as the core values and strength of the Company. The content of the proposal from Thailand Pacific Partners is considered to be reasonable since it recognizes that issues common to the issues of The Company (breakaway from the market dependence on solvent printers and developed countries, early establishment of new businesses that will become pillars after Dental, further strengthening of global cooperation, rebuilding of corporate culture with entrepreneurship at its core, etc.) recognized by the members of the Special Committee who are also outside directors and with regard to these issues, Taiyo Pacific Partners has proposed specific and quantified measures to increase corporate value for each of the individual themes (allocating sales functions and development resources to new businesses and emerging countries and setting sales targets for these and for the restructuring of the corporate culture with entrepreneurship at its core to break away from dependence on solvent printers and developed markets and quickly establish new businesses that will become pillars after Dental, and integrating overlapping functions at foreign bases and setting

cost reduction targets in order to further strengthen global collaboration) and these proposed measures are considered reasonable. In addition, Taiyo Pacific Partners sponsored Roland Corporation, which was the Company's parent company at the time, to delist the company in 2014 and re-list it in 2020, during which time Roland Corporation grew to approximately 1.8 times revenue, 5 times EBITDA and 7 times ROIC. As Roland Corporation and the Company have a former parent-subsidiary relationship, there are many similarities in the management issues they face and their corporate cultures, and the Company confirmed through the interview that the probability of realising an increase in the Company's corporate value is also reasonably high.

On the other hand, taking into account that the Tender Offer Period is until 26 April 2024 and that the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer was lower than the Brother Tender Offer Price, on 15 March 2024 and 19 April 2024, the Company and the Special Committee requested Taiyo Pacific Partners to indicate whether it intends to change the terms and conditions of the Tender Offer, including the Tender Offer Price, and on 23 April 2024, the Company and the Special Committee received a request from Taiyo Pacific Partners to change the Tender Offer Price. On 23 April 2024, in order to increase the certainty of the closing of the Tender Offer, the Company and the Special Committee received a request from Taiyo Pacific Partners to increase the Tender Offer Price from 5,035 yen to 5,370 yen and to extend the Tender Offer Period. The Company received a response from Taiyo Pacific Partners on 23 March that it intended to increase the Tender Offer Price from 5,035 yen to 5,370 yen and to extend the Tender Offer Period in order to increase the certainty of completion of the Tender Offer. On the same day, the Company responded that it would accept the said response.

As the results of careful consideration of the above-mentioned discussions 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 Stock 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, all of the Company's directors who participated in the deliberation and resolution (4 directors, excluding Mr. Kohei Tanabe and Mr. Brian K. Heywood, out of a total of 6 directors) unanimously 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.

Please note that all three auditors of the Company attended at the board of directors meeting and have given their opinion that they have no objection to the above resolution.

<Omitted>

(3) Matters concerning calculations

(I) Name of the valuator and its relationship with the listed company and the Offeror

(Before correction)

In expressing its opinion on the Tender Offer, the Company requested Nomura Securities, a financial advisor and third-party valuator independent of the Company, Mr. Kohei Tanabe, and the Offeror (Mr. Kohei Tanabe and the Offeror are hereinafter referred to as the "Offeror Parties"), to calculate the value of the Company's Stock and received the Share Valuation Report (Nomura Securities) on February 8, 2024. As the Company and the Offeror have taken the measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest, the Company has not procured a written opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Nomura Securities. Nomura Securities is not an affiliated party of the Company or the Offeror Parties and has no material interest in the

Transaction, including the Tender Offer, that should be disclosed. The fees payable to Nomura Securities in respect of the Transaction include a performance fee, which is payable upon the successful completion of the Transaction. The Company has determined that the mere fact that a performance fee payable upon the successful completion of the Tender Offer is included does not negate the independence of Nomura Securities, taking into account the general practice in similar transactions and the demerits of the compensation system that will impose a substantial financial burden on the Company if the Transaction is not successful. Therefore, the Company has appointed Nomura Securities as its financial advisor and third-party valuator under the compensation system described above.

<Omitted>

(After correction)

In expressing its opinion on the Tender Offer, the Company requested Nomura Securities, a financial advisor and third-party valuator independent of the Company, Mr. Kohei Tanabe, and the Offeror (Mr. Kohei Tanabe and the Offeror are hereinafter referred to as the "Offeror Parties"), to calculate the value of the Company's Stock and received the Share Valuation Report (Nomura Securities) on February 8, 2024. As the Company and the Offeror have taken the measures to ensure fairness of the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer and to prevent conflict of interest, the Company has not procured a written opinion regarding the fairness of the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer (fairness opinion) from Nomura Securities. Nomura Securities is not an affiliated party of the Company or the Offeror Parties and has no material interest in the Transaction, including the Tender Offer, that should be disclosed. The fees payable to Nomura Securities in respect of the Transaction include a performance fee, which is payable upon the successful completion of the Transaction. The Company has determined that the mere fact that a performance fee payable upon the successful completion of the Tender Offer is included does not negate the independence of Nomura Securities, taking into account the general practice in similar transactions and the demerits of the compensation system that will impose a substantial financial burden on the Company if the Transaction is not successful. Therefore, the Company has appointed Nomura Securities as its financial advisor and third-party valuator under the compensation system described above.

In expressing the Company's opinion regarding the Changes in the Terms and Conditions of the Tender Offer, the Company has not obtained a new share valuation report regarding the value of the Company's shares, as there have been no material changes in the current status of the Company's business and future prospects, which were assumed in the Share Valuation Report (Nomura Securities).

<Omitted>

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

(ii) Share Consolidation

(Before correction)

If, after the successful completion of the Tender Offer, the total number of voting rights in the Company held by the Offeror is less than 90% of the total number of the voting rights held by all shareholders of the Company, the Offeror intends to request the Company, promptly after the completion of settlement of the Tender Offer, to hold an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") around late July 2024, at which it will be proposed to carry out a consolidation of the Company's Share pursuant to Article 180 of the Companies Act (the "Share Consolidation") and to partially amend the articles of incorporation of the Company in order to abolish the provisions regarding a share unit number subject to the Share Consolidation becoming effective. The Offeror intends to vote in favor of these proposals at the Extraordinary Shareholders' Meeting.

<Omitted>

(After correction)

If, after the successful completion of the Tender Offer, the total number of voting rights in the Company held by the Offeror is less than 90% of the total number of the voting rights held by all shareholders of the Company, the Offeror intends to request the Company, promptly after the completion of settlement of the Tender Offer, to hold an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") around early August 2024, at which it will be proposed to carry out a consolidation of the Company's Share pursuant to Article 180 of the Companies Act (the "Share Consolidation") and to partially amend the articles of incorporation of the Company in order to abolish the provisions regarding a share unit number subject to the Share Consolidation becoming effective. The Offeror intends to vote in favor of these proposals at the Extraordinary Shareholders' Meeting.

<Omitted>

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

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

(Before correction)

<Omitted>

(C) Whether the appropriateness of the terms and conditions of the Transaction is ensured

<Omitted>

Based on the following, the Tender Offer Price is deemed to be appropriate, assuming that the negotiation process and the scheme of the Transaction are reasonable. In addition, the reasonableness of the terms and conditions of the Transaction, including the Tender Offer, is deemed to be ensured because in the Transaction, the general shareholders will certainly receive consideration equal to the Tender Offer Price per share of the Company's Stock regardless of whether the consideration is received through the Tender Offer or the Squeeze-out Process.

- With respect to the negotiation process of the Tender Offer Price, as part of the market check, the Company researched and considered the existence of potential acquirers and, upon receiving proposals submitted by offerors other than the Offeror, conducted interviews with each such offeror and conducted a rigorous bidding process. Then, after a comparative review of the results of such interviews and the contents of the final written proposals of the offerors that proceeded to the due diligence process, the Company decided to enter into the Transaction with the Offeror, which evaluated the Company at the highest price in its proposal for the tender offer price. In addition, the Company received a proposal to set the Tender Offer Price at 5,035 yen in the Taiyo Proposal received from Taiyo Pacific Partners on December 20, 2023. Then, based on the report received from Nomura Securities on the results of the trial calculation of the value of the Company's Stock and the opinion of the Special Committee, with the advice of Nomura Securities, January 16, 2024, the Company requested Taiyo Pacific Partners to raise the Tender Offer Price in order to protect the minority shareholders of the Company. Later, on January 19, 2024, the Company received a response from Taiyo Pacific Partners that it did not intend to raise the Tender Offer Price, and upon receipt of such response, at the Company, the Special Committee carefully considered whether the proposal to set the Tender Offer Price at 5,035 yen was reasonable. As a result, the Company responded to Taiyo Pacific Partners that it intended to accept the proposal. Furthermore, by actively creating opportunities for purchases and other transactions of the Company's Stock by parties other than the Offeror, the Company has made reasonable efforts to ensure that the Transaction is conducted on terms as favorable as possible to the minority shareholders while enhancing the Company's corporate value. In light of these circumstances, it can be inferred that the agreement on the Tender Offer Price in the Transaction was reached as a result of negotiations between the Company and the Offeror based on objective and consistent discussions between parties substantially at arm's length, and there are

no circumstances that cast doubt on the transparency or fairness of the agreement process.

- The Business Plan was prepared on a stand-alone basis without assuming the implementation of the Transaction and there is no indication that any of the Offeror Parties, Taiyo Pacific Partners and their related parties were involved in or influenced the preparation of the Business Plan. In its negotiations with the Offeror Parties and Taiyo Pacific Partners, the Company provided them with some explanation of the Business Plan, but there is no indication that the Business Plan was formulated or revised at the direction of, or according to the intention of, the Offeror Parties or Taiyo Pacific Partners. There is no evidence that any pressure was exerted by the Offeror Parties or Taiyo Pacific Partners in the process of formulating the Business Plan and the contents of the Business Plan are not considered to contain unreasonable projections.
- With respect to the Share Valuation Report (Nomura Securities) prepared by Nomura Securities, since the interviews with Nomura Securities did not reveal anything unreasonable in the selection of the average market share price method, the comparable company method and the DCF method, as well as the respective valuation method and the basis of valuation, the Special Committee concluded that it can rely on the Share Valuation Report (Nomura Securities) in considering the value of the Company's Stock. On this basis, the Tender Offer Price of 5,035 yen per share is recognized as a price that exceeds the upper limit of the respective ranges derived under the average market share price method and the comparable company method and exceeds the median (4,867 yen) of and is within the range derived under the DCF method. In addition, the Tender Offer Price of 5,035 yen per share represents a premium of 29.27 – 42.57% over the closing prices of the Company's Stock on the Prime Market of the TSE through February 8, 2024 (the closing price on such date and the average closing prices for the most recent 1 month, 3 months and 6 months) and it is recognized that, although the premiums in the Transaction are not necessarily higher compared to other similar transactions, they are almost close and comparable to the level of the premiums in the past cases and a certain level of premiums are added as described above. In light of the foregoing, the level of the Tender Offer Price is not considered to be inadequate. The Special Committee believes that there is no reason to deny the reasonableness of the level of the Tender Offer Price as described above.
- The method of the Transaction is the method generally employed in going-private transactions of this type, and in any of the second-step proceedings, the Company's shareholders may file with the court a petition for a determination of the sale price or a petition for a determination of the price following a demand for the purchase of shares. In addition, since the consideration to be received by the shareholders is cash, the method of the Transaction is desirable in terms of ease of understanding as well as stability and objectivity of the value of the consideration. In particular, from the perspective of satisfying both the requirement to promptly make the Company a wholly-owned subsidiary and the need to ensure that the general shareholders have sufficient opportunity and time to make an appropriate decision based on adequate information, this method is considered more desirable than a share exchange or other reorganization transactions in which shares or other assets are used as consideration. It is also clarified that the amount of money to be delivered to each shareholder of the Company as consideration in the case of the Demand for Share Cash-out or the Share Consolidation will be calculated as an amount equal to the Tender Offer Price multiplied by the number of shares of the Company's Stock held by each shareholder. Therefore, it is deemed reasonable to adopt the method of two-step acquisition with a tender offer and to select cash as the consideration for the acquisition.
- The Company has reached the conclusion that it is difficult to make a management decision to accept the Alliance Proposal A because it has judged that it is substantially likely that the occurrence of dis-synergies will lead to a decline in the competitiveness of the Company's products and a decline in its corporate value in the medium to long

term, although the Company has had continuous discussions with the Alliance Candidate A regarding the Alliance Proposal A since the beginning. Therefore, the Alliance Proposal A is not considered to affect the assessment of the appropriateness of the terms and conditions of the Transaction proposed by the Offeror (For the avoidance of doubt, the price per share of the Company's Stock proposed in the Alliance Proposal A (i.e., the price proposed in the Amended Letter of Intent dated February 6) is lower than the Tender Offer Price.).

- The Company made downward adjustments to its financial results forecast for the fiscal year ended December 2023. However, the Company's explanation that the downward adjustments to the financial results forecast was based on the business performance as of the end of the third quarter of the fiscal year ended December 31, 2023, and was caused by factors unrelated to the Transaction, can be considered reasonable. In addition, there are no circumstances that suggest that the downward adjustments to the financial results forecast were made with the intention of unfairly lowering the consideration to be delivered to the minority shareholders of the Company in the Transaction. Therefore, the reasonableness of the Tender Offer Price is not considered to be negated by the fact that such downward adjustments were made.

<Omitted>

The Special Committee then held a meeting on March 14, 2024, deciding to indicate whether the Taiyo Pacific Partners intend to change the terms and conditions of the offer in the Tender Offer since the Tender Offer Price (5,035 yen) was below both the closing market price of the Company's Shares after the announcement of the scheduled commencement of the Brother Tender Offer and the Brother Tender Offer Price (5,200 yen). On March 15, 2024, the Special Committee provided a letter representing the said request, and on March 22, 2024, Taiyo Pacific Partners responded that they are still considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price, but the Company has not yet received a clear view of the Taiyo Pacific Partners as of March 26, 2024.

Based on the response received from Taiyo Pacific Partners, the Company sought an advice of the Special Committee regarding Additional Consultation Matters on March 22, 2024. The Special Committee then held a renewed meeting on March 22, 2024, appointing Nishimura & Asahi as its own legal advisor, and carefully considered the Additional Consultation Matters. The Special Committee reported the results of their considerations to the Company's board of directors on March 26, 2024. The results of the considerations by the Special Committee are as described in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion" above.

(After correction)

<Omitted>

- (C) Whether the appropriateness of the terms and conditions of the Transaction is ensured

<Omitted>

Based on the following, the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer is deemed to be appropriate, assuming that the negotiation process and the scheme of the Transaction are reasonable. In addition, the reasonableness of the terms and conditions of the Transaction, including the Tender Offer, is deemed to be ensured because in the Transaction, the general shareholders will certainly receive consideration equal to the Tender Offer Price per share of the Company's Stock regardless of whether the consideration is received through the Tender Offer or the Squeeze-out Process.

- With respect to the negotiation process of the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer, as part of the market check, the Company researched and considered the existence of potential acquirers and, upon receiving proposals submitted by offerors other than the Offeror, conducted interviews with each such offeror and conducted a rigorous bidding process. Then, after a comparative review of the results of such

interviews and the contents of the final written proposals of the offerors that proceeded to the due diligence process, the Company decided to enter into the Transaction with the Offeror, which evaluated the Company at the highest price in its proposal for the tender offer price. In addition, the Company received a proposal to set the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer at 5,035 yen in the Taiyo Proposal received from Taiyo Pacific Partners on December 20, 2023. Then, based on the report received from Nomura Securities on the results of the trial calculation of the value of the Company's Stock and the opinion of the Special Committee, with the advice of Nomura Securities, January 16, 2024, the Company requested Taiyo Pacific Partners to raise the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer in order to protect the minority shareholders of the Company. Later, on January 19, 2024, the Company received a response from Taiyo Pacific Partners that it did not intend to raise the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer, and upon receipt of such response, at the Company, the Special Committee carefully considered whether the proposal to set the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer at 5,035 yen was reasonable. As a result, the Company responded to Taiyo Pacific Partners that it intended to accept the proposal. Furthermore, by actively creating opportunities for purchases and other transactions of the Company's Stock by parties other than the Offeror, the Company has made reasonable efforts to ensure that the Transaction is conducted on terms as favorable as possible to the minority shareholders while enhancing the Company's corporate value. In light of these circumstances, it can be inferred that the agreement on the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer in the Transaction was reached as a result of negotiations between the Company and the Offeror based on objective and consistent discussions between parties substantially at arm's length, and there are no circumstances that cast doubt on the transparency or fairness of the agreement process.

- The Business Plan was prepared on a stand-alone basis without assuming the implementation of the Transaction and there is no indication that any of the Offeror Parties, Taiyo Pacific Partners and their related parties were involved in or influenced the preparation of the Business Plan. In its negotiations with the Offeror Parties and Taiyo Pacific Partners, the Company provided them with some explanation of the Business Plan, but there is no indication that the Business Plan was formulated or revised at the direction of, or according to the intention of, the Offeror Parties or Taiyo Pacific Partners. There is no evidence that any pressure was exerted by the Offeror Parties or Taiyo Pacific Partners in the process of formulating the Business Plan and the contents of the Business Plan are not considered to contain unreasonable projections.
- With respect to the Share Valuation Report (Nomura Securities) prepared by Nomura Securities, since the interviews with Nomura Securities did not reveal anything unreasonable in the selection of the average market share price method, the comparable company method and the DCF method, as well as the respective valuation method and the basis of valuation, the Special Committee concluded that it can rely on the Share Valuation Report (Nomura Securities) in considering the value of the Company's Stock. On this basis, the Tender Offer Price of 5,035 yen per share before the Changes in the Terms and Conditions of the Tender Offer is recognized as a price that exceeds the upper limit of the respective ranges derived under the average market share price method and the comparable company method and exceeds the median (4,867 yen) of and is within the range derived under the DCF method. In addition, the Tender Offer Price of 5,035 yen per share before the Changes in the Terms and Conditions of the Tender Offer represents a premium of 29.27 – 42.57% over the closing prices of the Company's Stock on the Prime Market of the TSE through February 8, 2024 (the closing price on such date and the average closing prices for the most recent 1 month, 3 months and 6 months) and it is recognized that, although the premiums

in the Transaction are not necessarily higher compared to other similar transactions, they are almost close and comparable to the level of the premiums in the past cases and a certain level of premiums are added as described above. In light of the foregoing, the level of the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer is not considered to be inadequate. The Special Committee believes that there is no reason to deny the reasonableness of the level of the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer as described above.

- The method of the Transaction is the method generally employed in going-private transactions of this type, and in any of the second-step proceedings, the Company's shareholders may file with the court a petition for a determination of the sale price or a petition for a determination of the price following a demand for the purchase of shares. In addition, since the consideration to be received by the shareholders is cash, the method of the Transaction is desirable in terms of ease of understanding as well as stability and objectivity of the value of the consideration. In particular, from the perspective of satisfying both the requirement to promptly make the Company a wholly-owned subsidiary and the need to ensure that the general shareholders have sufficient opportunity and time to make an appropriate decision based on adequate information, this method is considered more desirable than a share exchange or other reorganization transactions in which shares or other assets are used as consideration. It is also clarified that the amount of money to be delivered to each shareholder of the Company as consideration in the case of the Demand for Share Cash-out or the Share Consolidation will be calculated as an amount equal to the Tender Offer Price multiplied by the number of shares of the Company's Stock held by each shareholder. Therefore, it is deemed reasonable to adopt the method of two-step acquisition with a tender offer and to select cash as the consideration for the acquisition.
- The Company has reached the conclusion that it is difficult to make a management decision to accept the Alliance Proposal A because it has judged that it is substantially likely that the occurrence of dis-synergies will lead to a decline in the competitiveness of the Company's products and a decline in its corporate value in the medium to long term, although the Company has had continuous discussions with the Alliance Candidate A regarding the Alliance Proposal A since the beginning. Therefore, the Alliance Proposal A is not considered to affect the assessment of the appropriateness of the terms and conditions of the Transaction proposed by the Offeror (For the avoidance of doubt, the price per share of the Company's Stock proposed in the Alliance Proposal A (i.e., the price proposed in the Amended Letter of Intent dated February 6) is lower than the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer).
- The Company made downward adjustments to its financial results forecast for the fiscal year ended December 2023. However, the Company's explanation that the downward adjustments to the financial results forecast was based on the business performance as of the end of the third quarter of the fiscal year ended December 31, 2023, and was caused by factors unrelated to the Transaction, can be considered reasonable. In addition, there are no circumstances that suggest that the downward adjustments to the financial results forecast were made with the intention of unfairly lowering the consideration to be delivered to the minority shareholders of the Company in the Transaction. Therefore, the reasonableness of the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer is not considered to be negated by the fact that such downward adjustments were made.

<Omitted>

The Special Committee then held a meeting on March 14, 2024, deciding to indicate whether the Taiyo Pacific Partners intend to change the terms and conditions of the offer in the Tender Offer since the Tender Offer Price (5,035 yen) before the Changes in the Terms and Conditions of the Tender Offer was below both the closing market price of the Company's Shares after the announcement of the scheduled commencement of the Brother Tender Offer and the

Brother Tender Offer Price (5,200 yen). On March 15, 2024, the Special Committee provided a letter representing the said request, and on March 22, 2024, Taiyo Pacific Partners responded that they are still considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price, but the Company has not yet received a clear view of the Taiyo Pacific Partners as of March 26, 2024.

Based on the response received from Taiyo Pacific Partners, the Company sought an advice of the Special Committee regarding Additional Consultation Matters on March 22, 2024. The Special Committee then held a renewed meeting on March 22, 2024, appointing Nishimura & Asahi as its own legal advisor, and carefully considered the Additional Consultation Matters. The Special Committee reported the results of their considerations to the Company's board of directors on March 26, 2024. The results of the considerations by the Special Committee are as described in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion" above.

As described above in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion," since the announcement regarding the scheduled commencement of the Brother Tender Offer on March, 2024, the Special Committee has continuously participated in discussions with Brother Industries and Taiyo Pacific Partners in order to carefully consider whether the Company could maintain its opinion in favor of the Tender Offer.

The Special Committee held an interview with Taiyo Pacific Partners on April 19, 2024 to confirm whether there was any change in its judgement that the Tender Offer would contribute to further growth and enhancement of the mid – to long-term corporate value of the Company. Through the interview, the Special Committee reviewed again the synergies and measures to enhance the corporate value of the Company that were explained by Taiyo Pacific Partners prior to the announcement of the Tender Offer and reaffirmed that there is no change in its judgement at this point. On March 15, 2024 and April 19, 2024, the Special Committee requested Taiyo Pacific Partners to indicate whether it intends to change the terms and conditions of the Tender Offer, including the Tender Offer Price, based on the situation that the Tender Offer Price remains below the closing market price of the Company's stock after the announcement of the scheduled commencement of the Brother Tender Offer, and the Brother Tender Offer Price. On April 23, 2024, the Company received a response from Taiyo Pacific Partners that it intended to increase the Tender Offer Price from 5,035 yen to 5,370 yen and to extend the Tender Offer Period in order to increase the certainty of completion of the Tender Offer.

On April 26, 2024, the Special Committee unanimously submitted a report (the "Additional Report") on the results of its consideration of the Additional Consultation Matters, based on the discussions with Brother Industries and Taiyo Pacific Partners. The following is a summary of the report.

The reasonableness of the purposes of the Transaction, the fairness of the procedures to be followed in connection with the Transaction and the adequacy of the terms and conditions of the Transaction have been confirmed as set out in (A) to (C) below. Accordingly, The Company Board should maintain its opinion in favor of the Tender Offer and change its opinion that it is up to the shareholders to decide whether or not the shareholders of the Company tender their shares in the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer. It is not detrimental to the minority shareholders of the Company for the Company Board to make the above determinations.

With regard to the Brother Transaction, the Company are still discussing the Brother Proposal. Therefore, The Company will refrain from expressing any opinion on the Brother Transaction in the Additional Report.

(A) Enhancement of corporate value and rationality of purpose

As described below, it is found in the Report that the Transaction will contribute to enhancing the corporate value of the Company and that the purpose of the Tender Offer and the Transaction is fair and reasonable. No circumstances that contradict these points have occurred since the submission of the Report to the submission of this Additional Report. With respect to the Brother Transaction, concerns about the feasibility of synergies and the possibility of dis-synergies remain unresolved. Therefore, the Transaction, including the Tender Offer, will contribute to enhancing corporate value and will not affect the judgement regarding the purpose of the

transaction as being fair and reasonable.

- Based on the Brother Proposal, the Special Committee once again discussed synergies from the Transaction, measures to improve the corporate value of the Company and dis-synergies which may be caused to the Company's business activities by the Transaction through discussions with Taiyo Pacific Partners and discussions between the Company executives and the Special Committee. However, with respect to the information which was explained to the Special Committee by Taiyo Pacific Partners prior to the announcement of the Tender Offer, such judgment has not changed at this time and no circumstances are found that would materially hinder the enhancement of corporate value of the Company as a result of the Transaction. The Special Committee reaffirmed that the synergies and measures to improve corporate value under the Transaction are specific compared to the synergies in the Brother Proposal which are abstract. Taiyo Pacific Partners has invested in the Company for many years, over 19 years, and in recent years, Taiyo Pacific Partners has been directly involved in the enhancement of the corporate value of the Company through the dispatch of Outside Directors and the provision of advisory services, and they are familiar with the issues as well as the core values of the Company. The value creation plan prepared by Taiyo Pacific Partners shares the same issues that the members of the Special Committee who are also Outside Directors of the Company have, regarding the Company ((breakaway from the market dependence on solvent printers and developed countries, early establishment of new businesses that will become pillars after Dental, further strengthening of global cooperation, rebuilding of corporate culture with entrepreneurship at its core, etc.), and proposes quantified measures (allocating sales functions and development resources to new businesses and emerging countries and setting sales targets for these and for the restructuring of the corporate culture with entrepreneurship at its core to break away from dependence on solvent printers and developed markets and quickly establish new businesses that will become pillars after Dental, and integrating overlapping functions at foreign bases and setting cost reduction targets in order to further strengthen global collaboration) to enhance the corporate value of each subject regarding these issues. Based on these discussions with Taiyo Pacific Partners, we believe that the expected synergies are reasonable as they do not contradict each other or clearly contradict objective facts.
- On the other hand, with respect to the Brother Transaction, the Company Executives have concerns about the feasibility of the synergies expected by Brother Industries. Considering the content of the question-and-answer and other relevant documents between the Company and Brother Industries, the Company Executives did not find any contradiction or clear contradiction to objective facts with respect to the concerns of the Company Executives. In addition, from the Company Executives, dis-synergies and other impacts arising from the Brother Transaction are attributable to: (1) deterioration of trading conditions, including purchase prices, for core parts of the Company's mainstay industrial printers (printer heads) from the Major Supplier A to the Company, a high probability that priority will not be given to the state-of-the-art printer heads equipped with the latest technologies from major suppliers; and the high probability that the Company will not be able to receive close cooperation and technical support including close cooperation from an early stage and quality support after product launch; and (2) (a) an increase in the use of the amount of printer heads from Brother Industries Inc. is likely to occur if transactions with the Major Supplier A become difficult, however, printer heads of Brother Industries are not able to cover the lineup of printer heads of the Major Supplier A, which would lead to the Company's failure to develop new products as planned and would likely result in a failure to satisfy the Company's product lineup and would have a significant impact on the Company's financial results. In addition, products incorporating printer heads of Brother Industries may have an adverse impact on the performance of the Company's products, production processes and customers, and (b) we have discussed the alternative option of utilizing the printer heads of both the Primary Suppliers and suppliers other than Brother Industries. However, (i) there can be no assurance that a deep relationship, such as the current business relationship between the Company and the Major Supplier A, can be established with other suppliers in the first place, and (ii) even if the Company were to establish a relationship with another supplier that is equivalent to the current

business relationship between the Company and the Major Supplier A, it would be difficult for the Company to have a printer head lineup with the same performance and diversity as the one currently supplied by the Major Supplier A, and the option is unrealistic as it is expected to take a considerable amount of time to develop products to use the printer heads of such other suppliers as the mainstay of the business. (3) Based on the background and track record of past collaboration and transaction with Brother Industries, the Company has determined that it cannot dispel concerns that the Brother Transaction will be a material impediment to the enhancement of the Company's corporate value, given the possibility of a decline in the Company's competitiveness due to differences in corporate and technological strategies and corporate culture. We have received a written inquiry from Brother Industries, a rebuttal and question-and-answer session from Brother Industries in response to our explanation of the dis-synergy concerns, a rebuttal from the Company's executive committee in response to Brother Industries' rebuttal, and a quantitative report from R&C regarding the impact of the Brother Transaction on transactions with the Major Supplier A (price increase risk, new product and technical information provision impact, etc.). In addition, the Company has received a letter from The Major Supplier A regarding the change in business relationship with Brother Industries. Therefore, it is reasonable for the Company's Executive Committee to explain that the concern about the occurrence of dis-synergies due to the Brother Tender Offer has not been dispelled.

- Based on the status of discussions with Brother Industries, the Company has not been able to dispel concerns about the possibility of dis-synergies arising from the Brother Tender Offer. On the other hand, the Company reaffirmed with Taiyo Pacific Partners that there will be no change in their judgment at this time that the Tender Offer will contribute to further growth and enhancement of the Company's corporate value in the mid-to long-term, or in their judgment that the Tender Offer will contribute to our further growth and improvement of our corporate value, through discussions with Taiyo Pacific Partners regarding the synergies and measures to improve the Company's corporate value that were explained by Taiyo Pacific Partners before the announcement of the Tender Offer and through discussions between the executive committee and the Special Committee. Therefore, the Company reaffirms its belief that the Company's corporate value and the fact that going private by way of a management buyout (MBO) by Taiyo Pacific Partners will contribute to the Company's further growth and enhancement of its corporate value over the medium to long term, and that the Transaction is more appropriate than the Brother Transaction for the Company's further growth and improvement of its corporate value over the mid- to long-term.

(B) Fairness of procedures

The fairness of the procedures relating to the Transaction, including the Tender Offer, is as described in this Report, and no circumstances contrary to these have occurred since the submission of this Report until the submission of the Additional Report. The fairness of the procedures relating to the Transaction, including the Tender Offer, is also ensured based on the progress of the facts after the Report and the relationship with the Brother Transaction as follows.

- The Company's Board of Directors has entrusted the Special Committee to consider additional matters for the purpose of ensuring the fairness, transparency, and objectivity of the Company's decision-making process in relation to the Brother Transaction, and has reaffirmed that all members of the Special Committee are independent from Brother Industries and the Acquirer, and that they have no particular interest in the success or failure of the Brother Transaction and the Transaction. The Special Committee has also confirmed that the members of the Special Committee are independent from Brother Industries and the Acquirer and that they do not have any particular interest in the Brother Transaction or the success or failure of the Transaction, and has been given the necessary authority. Accordingly, the Special Committee is deemed to be functioning effectively as a measure to ensure fairness in relation to the Transaction and the Brother Transaction.

- The Company has confirmed that none of its directors or corporate auditors has any material interest in Brother Industries In. or the Brother Transaction, and at the meeting of the Board of Directors held today, the Company's directors who participated in the deliberations and resolution (four directors, excluding Mr. Kohei Tabe and Mr. Brian K. Heywood, out of a total of six directors), it is expected that the opinion regarding the Tender Offer will be unanimously resolved at the above meeting of the Board of Directors, and that all three 3 auditors of the Company will attend the above meeting of the Board of Directors, and all of the auditors who attended the meeting will express their opinion that they have no objection to the above resolution. In addition, the decisions of the Company's Board of Directors regarding the Transaction and the Brother Transaction shall be made with the utmost respect for the decisions of the Special Committee, and in particular, if the Special Committee determines that the terms of the Transaction are not appropriate, the Board of Directors of the Company shall not support the Transaction under such terms. In light of the above, it can be said that the arbitrariness of the Company's decision-making regarding the Transaction and the Brother Transaction has been eliminated and the fairness, transparency, and objectivity of the decision-making process have been ensured.
- The Special Committee held a special meeting on March 22, 2024, and appointed Nishimura & Asahi as its own legal advisor in addition to Anderson Mōri & Tomotsune, the legal advisor to the Company and obtained professional advice from the legal advisor before considering the Transaction.
- In rendering its opinion regarding the Tender Offer, in order to ensure the fairness of decision making process in relation to the Tender Offer Price proposed by the Offeror, the Company requested Nomura Securities, as a financial advisor and third party valuation institution independent of the Company and the Offeror, to calculate the value of the Company Shares, and obtained the Share Valuation Report (Nomura Securities) on February 8, 2024. The Special Committee requested Nomura Securities to analyze the share value of the Tender Offer Price and the Tender Offer Price of the Brother Tender Offer from time to time after the Announcement based on the Share Valuation Report (Nomura Securities) and received the reports from Nomura Securities. The Company believes that there is no problem with the fairness of making its judgment regarding the Transaction and the Broker Transaction based on the Share Valuation Report (Nomura Securities). In addition, in order to make an objective and quantitative assessment of the Company's concerns regarding the probability of the occurrence of dis-synergies from the Brother Transaction, the Company's Executive Committee requested R&C to evaluate and estimate the impact of the Brother Transaction on the transactions with the Major Supplier A (price increase risk, impact of discontinuation of provision of new products and technical information, etc.) and received a report on the results.
- Since the Report, the Company has made timely and appropriate disclosure of the status of the Company's deliberations and negotiations regarding the Transaction and the Brother Transaction through press releases and other media, and it is considered that the Company has provided its shareholders and others with material information to assist them in making decisions regarding the appropriateness of the terms and conditions of the Transaction and the Brother Transaction.

(C) Appropriateness of terms and conditions

The validity of the terms and conditions of the Transaction, including the Tender Offer Price (5,035 yen) prior to the amendment of the Terms of Purchase, is based on the status of negotiations for the Transaction and the appropriateness of the Scheme, etc. As described below, the Tender Offer with a tender offer price of 5,370 yen per share will continue to provide minority shareholders of the Target with an opportunity to sell their Target Shares at an appropriate premium price.

- At the time of submission of this report, the conditions of the Transaction, including the Tender Offer Price (5,035 yen) before the change of the Tender Offer conditions, etc., were found to be reasonable based on the state of negotiations and the appropriateness of the scheme, etc. of the Transaction, as described in this report, and no circumstances in particular have arisen since the submission of this report until the submission of this Additional Report that are contrary to these points.

- Since the Report, it has been decided to increase the Tender Offer Price from 5,035 yen to 5,370 yen, which is higher than the Tender Offer Price for the Brother Tender Offer (5,200 yen), and to extend the Tender Offer Period. The Brother Transaction is expected to be conducted by way of a tender offer as the first step and a demand for share cash-out as the second step, and there is no significant difference between the Transaction and the Brother Transaction in terms of the scheme. However, the Transaction is considered superior to the Brother Transaction in terms of price and the terms and conditions of the Transaction are considered reasonable.

(IV) Unanimous approval of all disinterested directors of the Company and the opinion of all disinterested auditors of the Company that they have no objection

(Before correction)

<Omitted>

As a result, as described above in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion," the Company's board of directors determined that the Transaction, including the Tender Offer, is expected to enhance the Company's corporate value by establishing a management structure that allows for flexible decision-making without being constrained by short-term stock market valuations, improving management flexibility, and maximizing the use of management support from Taiyo Pacific Partners, and that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable to the Shareholders of the Company and the Tender Offer provides the Shareholders of the Company with a reasonable opportunity to sell their shares, and all of the Company's directors who participated in the deliberation and resolution (5 directors, excluding Mr. Kohei Tanabe and Mr. Brian K. Heywood, out of a total of 7 directors) unanimously resolved at the Company's board of directors meeting held today that the Company will express its opinion in favor of the Tender Offer and will recommend its shareholders to tender their shares in the Tender Offer. All 4 auditors of the Company attended the above board of directors meeting and have given their opinion that they have no objection to the above resolution.

<Omitted>

The Company resolved that: Whether or not the Company should support a tender offer is to be determined based on whether said tender offer will contribute to enhance the corporate value of the Company; therefore, the Company remains unchanged in its belief that the Company's Shares going private through management buyout (MBO) method by Taiyo Pacific Partners, will contribute to the realization of further growth and enhancement of the Company's corporate value over the mid- to long-term. With respect to whether the Brother Tender Offer is a transaction that will enhance the corporate value of the Company over the mid- to long-term, while a certain degree of synergies are expected, the possibility of corresponding dis-synergies is also expected to occur, and in the course of discussions with Brother Industries conducted after the announcement regarding the plan to commence the Brother Tender Offer and up until March 26, 2024, despite the explanations provided by the Brother Industries, the Company and the Special Committee have not yet been able to resolve the aforementioned concerns and believe that careful consideration will continue to be necessary subject to further discussions with Brother Industries. In light of the above circumstances, the Company still finds it appropriate to maintain its opinion in favor of the Tender Offer. On the other hand, the Special Committee has requested the Taiyo Pacific Partners on March 15, 2024, to indicate whether it intend to change the terms and conditions of the offer in the Tender Offer since the Tender Offer Price (5,035 yen) was below both the closing market price of the Company's Shares after the announcement of the scheduled commencement of the Brother Tender Offer and the Brother Tender Offer Price (5,200 yen). While Taiyo Pacific Partners responded that they are still considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price, the Company have not yet received a clear view of the Taiyo Pacific Partners as of March 26, 2024. After a careful consideration, the Company reached a conclusion to withdraw its recommendation to shareholders that they tender their shares to the Tender Offer and to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to each of the shareholders. Therefore, at the board of directors meeting held on March 26, 2024, taking into account the report received from the Special Committee,

with all of the Company's directors who participated in the deliberation and resolution (5 directors, excluding Mr. Kohei Tanabe and Mr. Brian K. Heywood, out of a total of 7 directors) unanimously resolved to maintain its opinion in favor of the Tender Offer, but to leave the decision to each of the Company's shareholders as to whether or not to tender their shares in the Tender Offer to the discretion of the Company's shareholders. However, the Company's opinion in favor of the Tender Offer may be subject to change depending on the status of further discussions between the Company and Brother Industries.

All 4 auditors of the Company attended the above board of directors meeting and have given their opinion that they have no objection to the above resolution.

<Omitted>

(After correction)

<Omitted>

As a result, as described above in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion," the Company's board of directors determined that the Transaction, including the Tender Offer, is expected to enhance the Company's corporate value by establishing a management structure that allows for flexible decision-making without being constrained by short-term stock market valuations, improving management flexibility, and maximizing the use of management support from Taiyo Pacific Partners, and that the Tender Offer Price and other terms and conditions of the Tender Offer Price are reasonable to the Shareholders of the Company and the Tender Offer provides the Shareholders of the Company with a reasonable opportunity to sell their shares, and all of the Company's directors who participated in the deliberation and resolution (5 directors, excluding Mr. Kohei Tanabe and Mr. Brian K. Heywood, out of a total of 7 directors) unanimously resolved at the Company's board of directors meeting held on February 9, 2024 that the Company will express its opinion in favor of the Tender Offer and will recommend its shareholders to tender their shares in the Tender Offer. All 4 auditors of the Company attended the above board of directors meeting and have given their opinion that they have no objection to the above resolution.

<Omitted>

The Company resolved that: Whether or not the Company should support a tender offer is to be determined based on whether said tender offer will contribute to enhance the corporate value of the Company; therefore, the Company remains unchanged in its belief that the Company's Shares going private through management buyout (MBO) method by Taiyo Pacific Partners, will contribute to the realization of further growth and enhancement of the Company's corporate value over the mid- to long-term. With respect to whether the Brother Tender Offer is a transaction that will enhance the corporate value of the Company over the mid- to long-term, while a certain degree of synergies are expected, the possibility of corresponding dis-synergies is also expected to occur, and in the course of discussions with Brother Industries conducted after the announcement regarding the plan to commence the Brother Tender Offer and up until March 26, 2024, despite the explanations provided by the Brother Industries, the Company and the Special Committee have not yet been able to resolve the aforementioned concerns and believe that careful consideration will continue to be necessary subject to further discussions with Brother Industries. In light of the above circumstances, the Company still finds it appropriate to maintain its opinion in favor of the Tender Offer. On the other hand, the Special Committee has requested the Taiyo Pacific Partners on March 15, 2024, to indicate whether it intend to change the terms and conditions of the offer in the Tender Offer since the Tender Offer Price (5,035 yen) before the Changes in the Terms and Conditions of the Tender Offer was below both the closing market price of the Company's Shares after the announcement of the scheduled commencement of the Brother Tender Offer and the Brother Tender Offer Price (5,200 yen). While Taiyo Pacific Partners responded that they are still considering whether to change the terms and conditions of the Tender Offer including any change in the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer, the Company have not yet received a clear view of the Taiyo Pacific Partners as of March 26, 2024. After a careful consideration, the Company reached a conclusion to withdraw its recommendation to shareholders that they tender their shares to the Tender Offer and to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to each of the

shareholders. Therefore, at the board of directors meeting held on March 26, 2024, taking into account the report received from the Special Committee, with all of the Company's directors who participated in the deliberation and resolution (5 directors, excluding Mr. Kohei Tanabe and Mr. Brian K. Heywood, out of a total of 7 directors) unanimously resolved to maintain its opinion in favor of the Tender Offer, but to leave the decision to each of the Company's shareholders as to whether or not to tender their shares in the Tender Offer to the discretion of the Company's shareholders. However, the Company's opinion in favor of the Tender Offer may be subject to change depending on the status of further discussions between the Company and Brother Industries.

All 4 auditors of the Company attended the above board of directors meeting and have given their opinion that they have no objection to the above resolution.

Furthermore, since the announcement regarding the scheduled commencement of the Brother Tender Offer on March 13, 2024, the Company, together with the Special Committee, has continued to engage in discussions in good faith with Brother Industries and Taiyo Pacific Partners in order to carefully consider whether or not the Company can maintain its opinion in favor of the Tender Offer.

As described above in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion," 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 Stock 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, all of the Company's directors who participated in the deliberation and resolution (4 directors, excluding Mr. Kohei Tanabe and Mr. Brian K. Heywood, out of a total of 6 directors) unanimously 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.

Please note that all three auditors of the Company attended at the board of directors meeting and have given their opinion that they have no objection to the above resolution.

All 3 auditors of the Company attended the above board of directors meeting and have given their opinion that they have no objection to the above resolution

<Omitted>

(V) Establishment of an objective situation for ensuring fairness of the Tender Offer

(Before correction)

The Offeror Parties have set the period of the Tender Offer (the "Tender Offer Period") at 52 business days, whereas the minimum period required by laws and regulations is 20 business days. By setting a Tender Offer Period that is longer than the statutory minimum period, the Offeror Parties intend to ensure that the Shareholders of the Company will have an opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, as well as to ensure that persons other than the Offeror Parties (each a "Competing Offeror") will have an opportunity to make a competing offer to purchase shares of the Company's Share, and thereby to ensure the fairness of the Tender Offer.

<Omitted>

(After correction)

The Offeror Parties have set the Tender Offer Period at 62 business days, whereas the minimum period required by laws and regulations is 20 business days. By setting a Tender Offer Period that is longer than the statutory minimum period, the Offeror Parties intend to ensure that the Shareholders of the Company will have an opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, as well as to ensure that persons other than the Offeror Parties (each a "Competing Offeror") will have an opportunity to make a competing offer to purchase shares of the Company's Share, and thereby to ensure the fairness of the Tender Offer.

<Omitted>

End

[Soliciting Regulations]

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

[Future Outlook]

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

[U.S. Regulations]

- The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards stipulated by the Financial Instruments and Exchange Act of Japan, and the procedures and standards therefor are not necessarily the same as those applicable in the United States. Specifically, Section 13(e) and Section 14(d) the U.S. Securities Exchange Act of 1934 (as amended) do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. The financial information contained in this press release is not necessarily equivalent to the financial statements of U.S. companies. It may be difficult to enforce any right or claim arising under U.S. federal securities laws, because both the Tender Offeror and the Target Company are established outside the United States and none of their directors are U.S. residents. Further, it may be impossible for a shareholder to bring suit in a non-U.S. court against a non-U.S. company or its directors for violations of U.S. federal securities laws. Additionally, non-U.S. entities and their subsidiaries and affiliates may not necessarily be subject to the jurisdiction of U.S. courts.
- There is a possibility that, in the ordinary course of business, financial advisors of the Tender Offeror and the Target Company and the affiliates thereof may, to the extent permitted by the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, on their own or their customers’ account, purchase or take action toward purchasing shares of the Target Company which is unrelated to the Tender Offer during the period of the tender offer. If information regarding such a purchase is disclosed in Japan, it will be disclosed in the United States in a similar manner.
- The Tender Offeror and its affiliates may, in accordance with the terms of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, to the extent permitted by the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations, purchase or take action toward purchasing shares of the Target Company. If information regarding such a purchase is disclosed in Japan, it will be disclosed in the United States in a similar manner.
- All procedures related to the Tender Offer will be conducted in the Japanese language. While all or part of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in the case of any discrepancy between the Japanese documents and the corresponding English documents.
- Statements in this press release include “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as revised) and Section 21E of the Securities Exchange Act of 1934. The actual results may significantly differ from the projections implied or expressly stated in these forward-looking statements due to known or unknown risks, uncertainties, or other factors. Neither the Tender Offeror nor its affiliates guarantee that the results expressed or implied in these forward-looking statements will be achieved. The “forward-looking statements” contained in this press release have been prepared based on the information available to the Tender Offeror as of today, and unless required by laws and regulations, neither the Tender Offeror nor its affiliates are obligated to change or correct the statements made herein in order to reflect future events or circumstances.

[Other Countries]

- Restrictions may be imposed on the announcement, publication, and distribution of this press release in certain countries or regions. In such cases, please be aware of and comply with such restrictions. In countries or regions where the implementation of the Tender Offer is illegal, even after receipt of this press release, such receipt shall not constitute solicitation of an offer to sell or an offer to buy the shares related to the Tender Offer, and shall be deemed to have been distributed only for informative purposes only.