



(Translation)

June 27, 2024

To whom it may concern:

Company name: Roland DG Corporation
Name of representative: Kohei Tanabe
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(Securities code: 6789; TSE Prime Market)
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Notice Concerning Share Consolidation, Abolition of the Provision on Share Units, and Partial Amendments to the Articles of Incorporation

The Company hereby announces that it resolved at the meeting of its board of directors held today (the "Board Meeting") to the effect that it shall (i) convene the extraordinary shareholders' meeting to be held on August 1, 2024 (the "Extraordinary Shareholders' Meeting"), and (ii) submit to the Extraordinary Shareholders' Meeting proposals concerning share consolidation, abolition of the provision on share units and partial amendment of the articles of incorporation.

In the course of the above procedure, common stock of the Company (the "Company's Stock") will fall under the delisting criteria as defined in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. (the "TSE"). As a result, the Company's Stock will be designated as delisted issues from August 1, 2024 to September 2, 2024, and will subsequently be delisted on September 3, 2024. Please be noted that the Company's Stock will be untradable on the Prime Market of the TSE after delisting.

Particulars

I. Share Consolidation

1. Purposes and reasons for the Share Consolidation

As stated in the "Notice Concerning Implementation of MBO and Recommendation to Tender" issued by the Company on February 9, 2024 (as amended and changed; the "Opinion Press Release"), XYZ K.K. (the "Offeror") decided on February 9, 2024 to make a tender offer for the Company's Stock (the "Tender Offer") as part of a series of transactions for so-called management buyout (MBO) (Note 1) (the "Transaction"), for the purpose of acquiring all the shares of the Company's Stock listed on the Prime Market of the TSE (excluding the treasury shares held by the Company) and privatizing the Company.

(Note 1) "Management buyout (MBO)" refers to a transaction in which the Offeror makes a tender offer pursuant to an agreement with the Company's management team with common interests with the Company's management team.

Subsequently, the Offeror commenced the Tender Offer on February 13, 2024. However, following the notice published by Brother Industries, Ltd. ("Brother Industries") announcing its plan to commence a tender offer (the "Brother Tender Offer") for the Company's Stock on March 13, 2024, the Company carefully considered whether the Company could maintain its opinion in favor of the Tender Offer and its opinion of recommending that the shareholders of the Company

tender their shares in the Tender Offer. The Company believes that (A) whether or not the Company supports a tender offer should be determined based on whether the said tender offer will contribute to the enhancement of the Company's corporate value, and the Company remains of the opinion that the Company's going private through management buyout (MBO) method by Taiyo Pacific Partners (Note 2) will contribute to the further growth of the Company and the enhancement of the Company's mid- to long-term corporate value. With respect to whether the Brother Tender Offer would be a transaction that would enhance the corporate value of the Company over the mid- to long-term, while a certain degree of synergies was expected, corresponding dis-synergies were also expected to occur. And despite the explanations provided by the Brother Industries in the discussions with Brother Industries held after the announcement regarding the plan to commence the Brother Tender Offer and up until March 26, 2024, the Company and the special committee of the Company (the "Special Committee") could not resolve the aforementioned concerns and believed that careful consideration would continue to be necessary. Therefore, as of that date, the Company still considered it appropriate to maintain its opinion in favor of the Tender Offer. On the other hand, (B) on March 15, 2024, the Special Committee requested Taiyo Pacific Partners to indicate whether it intended to change the terms and conditions of the offer in the Tender Offer since the then purchase price of the Tender Offer (5,035 yen) 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 purchase offer price of the Brother Tender Offer (5,200 yen). While Taiyo Pacific Partners responded on March 22, 2024 that it was still considering whether to change the terms and conditions of the Tender Offer including any change in the purchase price of the Tender Offer, the Company had not yet received a clear view of Taiyo Pacific Partners as of March 26, 2024. Therefore, after a careful consideration, the Company reached a conclusion to withdraw its recommendation to shareholders that they tender their shares in the Tender Offer and to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares in the Tender Offer, and determined that it was appropriate to leave the decision to each of the shareholders.

(Note 2) Taiyo Pacific Partners, a limited partnership established on December 27, 2023 under the laws of the Cayman Islands for the purpose of investing in the Offeror, collectively refers to Taiyo Pacific Partners L.P. and its group. As of today, Taiyo XYZ Group, L.P. (the "Fund"), which is operated and managed by Taiyo Pacific Partners, holds all of the issued shares of the Offeror.

As a result, the Offeror decided to change the period of the Tender Offer (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 opinion of recommending that the shareholders of the Company tender their shares in the Tender Offer and to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares in the Tender Offer, and determined it was appropriate to leave the decision to each of the shareholders, the Offeror would file an Amendment Statement to the Tender Offer Statement, which required an extension of the Tender Offer Period by extending the expiration date to the 10th business day following the filing date of the said Amendment Statement to the Tender Offer Statement pursuant to laws and regulation, and (ii) as the Company was scheduled to file its 43rd Annual Securities Report to the Director-General of the Tokai Local Finance Bureau on March 29, 2024, the Offeror would be required to file an Amendment Statement to the Tender Offer Statement again, which would require an extension of the Tender Offer Period by extending the expiration date to the 10th business day following the filing date of the said Amendment Statement to the Tender Offer Statement.

Moreover, given that the Company had received an offer from Brother Industries to become its wholly-owned subsidiary through a tender offer, the Offeror considered it appropriate to extend the Tender Offer Period for another 10 business days for the Company to consider its opinion on the Tender Offer and on April 12, 2024, the Offeror decided to extend the Tender Offer Period to a total of 52 business days by extending the expiration date to April 26, 2024 to allow time for consideration by the Company.

Subsequently, on April 19, 2024, the Company and the Special Committee requested Taiyo Pacific Partners to indicate whether it intended to change the terms and conditions of the Tender Offer including any change in the purchase price of the Tender Offer (the "Tender Offer Price"), and on April 23, 2024, Taiyo Pacific Partners responded 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 the closing of the Tender Offer. Consequently, on April 26, 2024, the Offeror decided to increase the Tender Offer Price from 5,035 yen to 5,370 yen (the "Changes in the Terms and Conditions of the Tender Offer") and to extend the Tender Offer Period to a total of 62 business days in accordance with laws and regulations 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 Amendment Statement to the Tender Offer Statement.

According to Taiyo Pacific Partners, since December 21, 2023, when the Company decided to hold discussions with Taiyo Pacific Partners for the implementation of the Transaction, Taiyo Pacific Partners has been continuously discussing with Mr. Kohei Tanabe, President and Representative Director of the Company ("Mr. Kohei Tanabe") (number of shares held (Note 3): 2,642 shares; Shareholding Ratio: 0.02%) whether or not to have him make the Contribution (meaning a contribution to the Offeror by Mr. Kohei Tanabe to be made after the Transaction; hereinafter the same) and the contents of the MOU (as defined below). As a result, Taiyo Pacific Partners and Mr. Kohei Tanabe entered into a memorandum of understanding dated February 9, 2024 (the "MOU"), which included an agreement that they would enter into a reinvestment agreement in connection with the Contribution after the successful completion of the Transaction (the percentage of Mr. Kohei Tanabe's voting rights in the Offeror after the Contribution has not been determined at this time and has not been specified in the MOU, but is expected to be between approximately 0.25% and 0.5% based on the current status of discussions).

As stated in the "Announcement of the Results of the Tender Offer for the Company's Common Shares by XYZ K.K. and Change of the Parent Company and the Largest Shareholder Among the Major Shareholders" issued by the Company on May 16, 2024, the Offeror made the Tender Offer from February 13, 2024 to May 15, 2024, and as a result, the Offeror came to hold 9,247,711 shares of the Company's Stock as of May 22, 2024 (the commencement date of the settlement of the Tender Offer) (Shareholding Ratio (Note 3): 75.07%).

(Note 3) "Shareholding Ratio" refers to the ratio (rounded to the second decimal place) of the number of shares held to the number of shares (12,319,203 shares) obtained by deducting the number of treasury shares held by the Company (708 shares) (the shares of the Company's Stock held by the Director Stock Benefit Trust and the J-ESOP Trust (190,400 shares) are not included in the treasury shares held by the Company; hereinafter the same) as of March 31, 2024 from the total number of issued shares of the Company as of the same date (12,319,911 shares), both as stated in the "Consolidated Financial Results for the Three Months Ended March 31, 2024 [Japanese GAAP]" published by the Company on May 10, 2024; hereinafter the same with respect to the term "Shareholding Ratio."

Although the Tender Offer was successfully completed thereafter as stated above, the Offeror could not acquire all of the shares of the Company's Stock (excluding the treasury shares held by the Company) through the Tender Offer. Therefore, in order to privatize the Company, the Offeror requested the Company to consolidate the shares of the Company's Stock (the "Share Consolidation") pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"). As such, as stated in "(5) Policies on reorganization, etc. after the Tender Offer (matters concerning "two-step acquisition")" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, the Company has decided to carry out the Share Consolidation, which is a consolidation of 6,000,000 shares of the Company's Stock into one share, subject to the approval of the shareholders at the Extraordinary Shareholders' Meeting. Upon the Share Consolidation, the number of shares of the Company's Stock held by shareholders of the Company other than the Offeror will be reduced to a fraction less than one share.

The details of the purpose and background of the Transaction have been announced in the Opinion Press Release and are summarized as follows:

The Roland DG Group has formulated a three-year Midterm Business Plan based on the core strategies of "transition into a lean organization" and "transformation of the business portfolio," and in light of transformation of the business portfolio, in order to cope with the maturation of and more intensifying competition in its core markets, the Roland DG Group has been working to create new markets in niche areas where growth is expected, while minimizing the decline in profit margins by shifting technologies and pursuing efficiency. In addition, the Roland DG Group is striving to become a truly global company by incorporating growth in emerging markets in addition to its existing business development

centered in developed countries. In the first year of the Midterm Business Plan, fiscal year 2021, the Roland DG Group has mainly been working on structural reforms, and have made great strides towards "transition into a lean organization." In terms of business, the Roland DG Group has been able to respond to the changing needs of the market caused by the impact of COVID-19. As a result, as the Roland DG Group was able to achieve its consolidated operating profit target set for fiscal year 2023, the final year of the Midterm Business Plan, 2 years ahead of schedule, it has redefined its consolidated performance targets. Accordingly, with respect to expected growth markets within existing businesses and new areas with growth potential, the Roland DG Group has revised its strategic categories to (i) "Visual Communication," (ii) "Digital Fabrication," (iii) "Dental," and (iv) "Service, Software & Others." By categorizing based on business area rather than by product, the Roland DG Group will be able to "visualize" trends in each area, as well as to transform its business model that relies on traditional eco-solvent printers for signage market.

Under these circumstances, on September 1, 2023, the Company received from a company other than the Offeror (the "Alliance Candidate A") a non-legally binding letter of intent to acquire 100% of the Company's Stock (the "Alliance Proposal A") addressed to the board of directors of the Company in writing. Following the receipt of the Alliance Proposal A, as described in "(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror" under "(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" in (2) "Grounds and reasons for the opinion," under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, in order for the Company to achieve further growth and increase corporate value in the medium to long term, the Roland DG Group has recognized that, in addition to the optimal and agile allocation of management resources in each business, (i) the development of new markets centered on Digital Fabrication and the creation and expansion of new businesses such as the SaaS business through connected services, and (ii) the further establishment of a lean management structure on a global basis to support these businesses, which are challenges to be addressed, are crucial to its growth strategy. To date, the Roland DG Group has been making efforts to implement measures (i) and (ii) above, and in fiscal year 2023, the Roland DG Group entered the field of digital printing of wallpaper through the acquisition of UAB DG DIMENSE, and in fiscal year 2021, as part of structural reforms, the Roland DG Group consolidated its production facilities at its Thai plant and solicited voluntary early retirement. However, the Roland DG Group has also recognized that it further needs (i) to create new businesses and (ii) to strengthen the leanness of its global management structure, and as a prerequisite for these, it needs to accelerate the transformation into a corporate structure (corporate culture) that actively implements these new measures. The Roland DG Group has also identified the following as the challenges to be addressed: (iii) to further develop the organizational culture (spreading and maturing the spirit of innovation throughout the organization under a leader with an entrepreneurial spirit, and improving the organization's sense of autonomy and mission, and thereby moving away from organizational and procedural complexity); (iv) to further deepen product and business models by focusing on irrationality and inefficiency from the user's perspective; (v) to strengthen the M&A structure and strategic planning as measures to accelerate the creation of new businesses; (vi) to recruit the necessary personnel for salary reform and further corporate transformation (including not only recruiting highly qualified personnel from outside the Company, but also proactively promoting talented internal personnel), and promote the reform of the human resources system (including reviewing recruitment strategies to improve the competitiveness of recruitment) and ensure its effectiveness.

In this way, during the process of planning for accelerated business development, the Roland DG Group has reaffirmed the possibility that its existing management resources alone will not be sufficient to address the challenges (i) through (vi) above and to promptly and sufficiently transform its global structure and implement growth strategies based thereon, and the Roland DG Group has come to recognize that it needs to address organizational challenges such as establishing market-competitive recruitment conditions and a more flexible evaluation system and organizational design that support the active promotion of talented internal personnel and the recruitment of highly specialized external personnel by utilizing external management resources; implementing various investments and business alliances, including M&A; implementing effective customer loyalty evaluation and further deepening the product and business model based on the user perspective gained from such evaluation; and engaging in initiatives to strengthen the recruitment, training and retention of talented personnel to support the Roland DG Group's future growth, including the implementation of measures (i) through (vi)

above. The Company has thus come to the conclusion that one of the options for the Company is to have the Company's Stock go private in a business or capital alliance or in cooperation with a third party, rather than proceeding with its business on its own, in order to achieve further growth and increase corporate value in the medium to long term. Accordingly, after confirming that there is no problem with its independence, the Company appointed Anderson Mori & Tomotsune as its legal advisor on September 8, 2023 and Nomura Securities Co., Ltd. ("Nomura Securities") as its financial advisor and third-party valuator on September 20, 2023, and established a system to conduct concrete examinations of various strategic options for the Roland DG Group's growth in light of the business environment surrounding the Company, including the Company's going private through its alliance with a "partner which will contribute to the enhancement of the Company's mid- to long-term corporate value," including the Alliance Candidate A, and commenced concrete examinations in late September. After the commencement of any such examinations by the Company, on October 2, 2023, Taiyo Pacific Partners received a request from the Company to conduct initial examinations on a partnership aimed at enhancing the Company's mid- to long-term corporate value, and on October 4, 2023, it began to consider the possibility of becoming an alliance candidate for the Company. Mr. Brian K. Heywood, a director of the Company, has not participated in the selection of an alliance candidate or the consideration of the Transaction on behalf of the Company since that day, because he also is the CEO of Taiyo Pacific Partners L.P.

Based on the discussions with Anderson Mori & Tomotsune and Nomura Securities, the Company has reached the conclusion that, with respect to the contents of the Alliance Proposal A, it is necessary to carefully examine the contents of the Alliance Proposal A through discussions with the Alliance Candidate A in order to form opinions of the Company after carefully evaluating and considering whether the proposal will contribute to enhancing the Company's corporate value and securing common interests of its shareholders, while a certain degree of synergies with the Alliance Candidate A are expected but the possibility of corresponding dis-synergies is also assumed. At the same time, in accordance with the "Guidelines for Corporate Takeovers" formulated by the Ministry of Economy, Trade and Industry on August 31, 2023, the Company has begun "sincere consideration" of the Alliance Proposal A, and has concluded that, in order to achieve "negotiations aimed at best available transaction terms for shareholders," it should consider parties other than the Alliance Candidate A that could be a "partner that will contribute to the enhancement of the Company's mid- to long-term corporate value." Then, on September 29, the Company has decided to continue discussions with the Alliance Candidate A and, concurrently with such discussions, to hold hearings with Taiyo Pacific Partners and 2 PE Funds, which were selected as candidates other than the Alliance Candidate A on the advice of Nomura Securities, concerning the possibility of an alliance, and has also decided on the same day to, if positive responses are received, conduct bidding procedures (the "Bidding Procedures"). With respect to the Alliance Candidate A, the Company has decided on the same day to, after evaluating and examining the contents of the Alliance Proposal A and considering synergies and dis-synergies, announce the Bidding Procedures once it is confirmed that the transaction would enhance the Company's mid- to long-term corporate value.

On September 29, the Company held, through Nomura Securities, hearings with 2 PE Funds, and after making a request for conducting initial examinations, held hearings with Taiyo Pacific Partners through Nomura Securities on October 5, and by early October, received initial responses from all 3 companies indicating that they would consider the Bidding Procedures positively, and in early October 2023, the Company started the Bidding Procedures with the 3 companies from early October, and held interviews with the 3 companies from mid to late October 2023. After that, from late October 2023 to early November 2023, the Company received initial proposals from the 3 companies for a partnership aimed at enhancing the Company's mid- to long-term corporate value. Accordingly, the Company has conducted careful examinations from the viewpoints of understanding of the Company shown in the proposal, potential contribution of the candidate for the mid- to long-term growth of the Company, expected synergies resulting from the candidate becoming a partner, and the post-Transaction management policy. Based on the discussions at the board of directors, on November 6, 2023, in addition to the company with the highest proposed price in the initial proposal, the Company selected a company which was highly evaluated in terms of its understanding of the Company as well as its strategy and measures with an eye to the enhancement of the Company's mid- to long-term corporate value. Then, the Company invited, through Nomura Securities, financial advisor to the Company, 2 companies including Taiyo Pacific Partners as candidates for carrying out

priority discussions in the due diligence process for the implementation of the Transaction.

The due diligence was conducted from mid-November 2023 to mid-December 2023, and on December 20, 2023, the Company received final proposals from 2 companies including Taiyo Pacific Partners for a partnership aimed at enhancing the Company's mid- to long-term corporate value ("Taiyo Proposal"). During the course of comparing and examining the proposals received from the 2 companies, the Company has come to the conclusion that, compared to the other candidates (other than the Alliance Candidate A), Taiyo Pacific Partners is superior in terms of the proposed price, probability for the consummation of the Transaction, and strategies and measures aiming at the enhancement of the Company's mid- to long-term corporate value. Then, on December 21, 2023, the Company has come to the conclusion that the Taiyo Proposal, which recommends the Company's Stock going private by management buyout (MBO) method, will contribute to the realization of further growth and enhancement of the Company's corporate value over the mid- to long-term.

Specifically, the Company has once again recognized that it is extremely important to reallocate and focus management resources on potential growth businesses that should be developed in the future from existing businesses, which have been successful so far and are currently the revenue base, in order to realize further growth and enhancement of the Company's corporate value over the mid- to long-term. The Company defines visual appeal to consumers as "Visual Communication (VC)," and came to believe that it is necessary to expand from traditional eco-solvent printers "VC-Sol" to "VC Other" areas such as UV and latex, to expand into emerging markets, and to explore new areas where new digitalization can be expected. On the other hand, the Company rediscovered that the Roland DG Group's current management resources alone may not be sufficient to implement its growth strategies and policies, and has come to realize the necessity of establishing a system that can steadily implement such strategies in a short period of time by utilizing the unique and abundant experience, achievements, human resources, and management know-how of Taiyo Pacific Partners. In addition, the Company came to believe that while initiatives to accelerate growth by further promoting corporate transformation utilizing external management resources are opportunities that are expected to generate greater growth in the mid- to long-term than the growth expected to be generated through other strategic options such as capital alliance or management integration with companies, such initiatives may not contribute to the Roland DG Group's profits at an early stage. Moreover, the Company came to believe that in the short term, in addition to uncertainties in business execution that do not develop as planned, there is a risk that financial conditions may deteriorate due to proactive up-front investment to accelerate growth, resulting in a decline in the profit level, and deterioration in cash flow. As a result, the Company has concluded that it would be difficult to implement these initiatives while remaining listed, as there is an undeniable possibility of causing adverse effects on its shareholders such as a short-term decline in the market price of the Company's Stock. On the other hand, as described in "(i) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror" under "(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" under (2) "Grounds and reasons for the opinion," under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, the Company has come to believe that it is necessary to promptly implement various initiatives, given the business environment in which the risk of stagnation or slowdown in the market for eco-solvent printers for the signage market, the Roland DG Group's main market, is increasing.

Under these circumstances, while avoiding the abovementioned adverse effects, such as a decline in the price of the Company's Stock and a decrease in dividends, that may be incurred by the shareholders of the Company due to the risk of a short-term deterioration in the Roland DG Group's financial condition and business performance that may be caused by making up-front investments to accelerate business growth, the Company will take drastic and flexible measures to ensure the continuation of the Roland DG Group's business and an increase in its corporate value in the mid- to long-term. For these purposes, the Company will also go private through a management buyout (MBO) by Taiyo Pacific Partners, and thereby 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, all of which the Company has come to believe are important to increasing its corporate value.

If the Company goes private, there is a possibility that the Company's ability to attract talented employees and expand

business with partners would be affected. Such ability has been developed with the enhanced social credibility and reputation that the Company has enjoyed as a listed company. In addition, the Company will no longer be able to raise funds through equity financing in the capital markets. However, given the recent increase in the cost of maintaining a listing, it is difficult to see the importance of maintaining a listing. Further, maintaining a listing is becoming relatively less necessary as the larger part of the Company's ability to attract talented employees and expand business with partners, which has been developed with the enhanced social credibility and reputation of the Roland DG Group, is now gained through business activities. Although the privatization of the Company will make it impossible to raise funds through equity financing in the capital markets, the Company has come to believe that these disadvantages are not likely to have a significant impact on the Company's business and that the advantages of going private outweigh the disadvantages, as Taiyo Pacific Partners intends to assist the Company in raising funds for business expansion through M&A and alliances.

Taiyo Pacific Partners also has a proven track record of providing management support to the Company as a shareholder for a long time since 2005. Taiyo Pacific Partner has deepened its engagement with the Company by sending outside directors and advisors to the Company and has contributed to increasing the Company's corporate value since Mr. Kohei Tanabe became President of the Company in March 2020. Against this background, it is expected that the privatization of the Company by Taiyo Pacific Partners, which has the best understanding of the Company's business and management philosophy, will strengthen the ties with the core part of the management and the front line of the Company, and will enable the Company to resolve the challenges to be addressed such as creating and expanding new businesses and strengthening its global and lean management structure at an early stage, which has already been promoted through the cooperation between Taiyo Pacific Partners and the Company. Therefore, the Company believes that Taiyo Pacific Partners is the best "partner to contribute to increasing the Company's mid- to long-term corporate value."

Among the directors of the Company, Mr. Kohei Tanabe, President, Representative Director, has decided to consider in detail a management buyout (MBO) with Taiyo Pacific Partners in response to the Taiyo Proposal dated December 20, 2023 with Taiyo Pacific Partners and reported this decision to the Company by email. In view of the fact that Mr. Kohei Tanabe has a structural conflict of interest with the Company with respect to the Transaction due to the possibility that he may invest in the Offeror if the Tender Offer is successful and continue to manage the Company after the Transaction, Mr. Kohei Tanabe did not participate in any deliberations or resolutions at the meeting of the board of directors held on December 21, 2023 to select a final candidate. He also did not participate in any deliberations or resolutions regarding the Transaction on behalf of the Company, nor did he participate in any discussions or negotiations with Taiyo Pacific Partners on behalf of the Company, after that date. In addition, in light of the fact that the Company has decided to hold discussions with Taiyo Pacific Partners on the implementation of the Transaction as a result of the Bidding Procedures, on December 21, 2023, the Company established a structure to consider the Transaction by setting up the Special Committee (for the details of the composition of the Special Committee and specific consultation matters, please see "(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" in "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release.) to consider the proposal for the Transaction in order for the Company to make decisions on the Transaction with due diligence and to eliminate arbitrariness and conflicts of interest in the decision-making process of the board of directors of the Company, thereby ensuring its fairness.

In light of the determination that it is desirable for the Company to go private by way of a management buyout (MBO) and the completion of the establishment of the structure to consider the Transaction, as described above, on December 21, 2023, the same day as the determination, the Company decided to hold discussions with Taiyo Pacific Partners to implement the Transaction during the period from late December 2023 to early February 2024. With respect to the Alliance Proposal A, the Company confirmed on December 21, 2023 that it would continue to engage in discussions with the Alliance Candidate A in order to evaluate and consider whether the Alliance Proposal A would contribute to enhancing the Company's corporate value and securing the common interests of the shareholders of the Company, as the Company could not rule out the possibility of significant dis-synergies as of that date. After that day, the Company continued to engage in

discussions with the Alliance Candidate A. However, on February 2, 2024, the Company informed the Alliance Candidate A that it would no longer consider the Alliance Proposal A because 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 could not be ruled out. Although the Company subsequently received the non-legally binding amended letter of intent (the "Amended Letter of Intent dated February 6") from the Alliance Candidate A on February 6, 2024 and reviewed its contents, there is no change in the circumstances in which 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 could not be ruled out. As a result, at the meeting of the board of directors held today, the Company confirmed that there is no change to its previously established policy of no longer considering the Alliance Proposal A. The Company also informed the Alliance Candidate A to that effect on February 9, 2024. For information, the price proposed in the Taiyo Proposal is higher than the price proposed in the Alliance Proposal A (i.e. the price proposed in the Amended Letter of Intent dated February 6).

Subsequently, based on the negotiation policy approved in advance by the Special Committee, as well as its opinions, instructions, and requests given at crucial stages of the negotiations, and with the advice of Nomura Securities and Anderson Mori & Tomotsune, the Company held several rounds of discussions and negotiations with the Offeror regarding the merits of the Transaction and its terms.

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 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 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 before the Changes in the Terms and Conditions of the Tender Offer 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 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release. 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; hereinafter the same), 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer 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 before the Changes in the Terms and Conditions of the Tender Offer 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; hereinafter the same) 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 before the Changes in the Terms and Conditions of the Tender Offer 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 (as defined below) 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release.

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.

For the details of the above resolution of the board of directors, please see "(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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release.

Thereafter, Brother Industries, Ltd. ("Brother Industries") published a notice on March 13, 2024, announcing the plan to commence a tender offer for the Company's Stock. The Company commenced its consideration on whether or not to maintain its opinion in favor of the Tender Offer and its opinion recommending that the Company's shareholders tender their shares in the Tender Offer, and requested the Special Committee to hold a special committee meeting in order to receive their opinions upon the Company's consideration.

The Special Committee then held a meeting on March 14, 2024, and decided that the Special Committee would request Taiyo Pacific Partners to indicate whether it intended 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 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"). 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 had not yet received a clear view of Taiyo Pacific Partners as of March 26, 2024.

Based on the response received from Taiyo Pacific Partners, on March 22, 2024, the Company solicited the advice of the Special Committee regarding what kind of opinion the Company should express in connection with the Brother Tender Offer along with subsequent acquisition of all shares of the Company's Stock by Brother Industries (the "Brother Transaction") and the Transaction (the "Additional Consultation Matters"). Furthermore, in connection with the solicitation of the advice regarding the Additional Consultation Matters, the board of directors of the Company has resolved that (i) the decisions of the board of directors of the Company regarding the Brother Transaction and the Transaction will be made with the utmost respect for the judgments made by the Special Committee, and in particular, if the Special Committee determines that the terms and conditions of the Brother Transaction or the Transaction are not appropriate, the board of directors of the Company will not support the relevant transaction under such terms and conditions, and (ii) the Company will authorize the Special Committee (a) to negotiate with Brother Industries or the Offeror in order to ensure fair negotiations between the Company and Brother Industries or the Offeror, or even in the case where the Company's advisors conduct the negotiations with Brother Industries or the Offeror, to be substantially involved in the process of the Company's negotiations with Brother Industries or the Offeror with respect to the terms and conditions of the Brother Transaction or the Transaction, by receiving timely reports on the situation of the negotiations, expressing opinions in important aspects, and issuing instructions and making requests; (b) to consider the extent of the measures to be taken to ensure the fairness of the Brother Transaction and the Transaction, and to provide opinions and recommendations as necessary, (c) to approve (including ex-post facto approval) the financial advisor or legal advisor appointed by the Company and receive professional advice or explanations from such advisors, as necessary, in providing its report on the Additional Consultation Matters, or to appoint its own financial advisor or legal advisor and receive professional advice from such advisors (the cost thereof will be borne by the Company); and (d) to receive information from the Company's officers and employees as may be necessary for considering and making judgments concerning the Brother Transaction or the Transaction in providing the report on the Additional Consultation Matters.

In response to the solicitation, the Special Committee then held another meeting on March 22, 2024, appointing Nishimura & Asahi as its own legal advisor, and carefully considered the Additional Consultation Matters. Nishimura & Asahi is not a related party of the Company, the Offeror Parties or Brother Industries, has no material interest in the completion of the Brother Transaction or the Transaction, and has been confirmed by the Special Committee that there is no issue regarding the independence of Nishimura & Asahi. In addition, the fees paid to Nishimura & Asahi in relation to the Brother Transaction or the Transaction do not include any performance fee payable subject to conditions such as completion of the Brother Transaction or the Transaction. 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 follows:

- (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 is as stated in the Report. While the Company received a response that Taiyo Pacific Partners was 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 (5,035 yen), the Company has not yet received a clear view from them as of March 26, 2024, and the announcement of the plan to commence Brother Tender Offer has released, which 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 the occurrence of corresponding dis-synergies is also expected, 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 deemed to be 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 fairness and adequacy of the terms and conditions of the Transaction are deemed to have been ensured is as stated in the Report. However, in addition to the change in the market price of the Company's Stock after the announcement of the plan to commence the Brother Tender Offer and given the situation that the plan to commence the Brother Tender Offer in which the tender offer price per share of the Company's Stock is 5,200 yen has been announced, and taking into account the fact that while the Company received a response from the Offeror that it was 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 (5,035 yen) but has not yet received a clear view from them as of March 26, 2024, the decision by the Company's board of directors to withdraw their opinion of recommending that the shareholders of the Company tender their shares in the Tender Offer, and to take a neutral stance on whether or not the shareholders of the Company should tender their shares in the Tender Offer cannot be deemed unreasonable, and do not constitute disadvantageous circumstances for the minority shareholders (general shareholders) of the Company.
- (c) Based on the foregoing, the Special Committee believes that the Company's board of directors' decision to maintain its opinion in favor of the Tender Offer, while simultaneously withdrawing its recommendation that the Shareholders of the Company tender their shares in the Tender Offer, and to implement the Transaction while maintaining a neutral stance as to whether or not the Shareholders of the Company tender their shares in the Tender Offer, would not be disadvantageous to the minority shareholders (general shareholders) of the Company. However, 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.

Considering the above advice reported by the Special Committee, the Company has resolved at its board of director's meeting held on March 26, 2024, to withdraw its recommendation that the Shareholders of the Company tender their shares in the Tender Offer, while maintaining a neutral stance as to whether or not the Shareholders of the Company tender their shares in the Tender Offer, and believed it ultimately appropriate to leave the decision to the shareholder's discretion. 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 Tanabe, 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:

- (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 (as 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. The Company understands 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; hereinafter the same) 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 April 11, 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, (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, the Company believes 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-synergies 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 Supplier A, 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, the Company 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 between the Company and 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 the Company reduces the specifications of the products the Company develops, 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 the Company's 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-synergies, 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, the Company received an explanation of Brother Industries' views on each of the Company's 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 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 and key 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 successfully completed, 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 the 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, and (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 the Company's 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's products and it is difficult to say that the number of patents held in areas to secure the competitive advantage of the Company's products is substantial, and therefore, the Company believes 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 the Brother Industries group. Therefore, the Company believes 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 the Company believes 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 Industries 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 Industries 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 the Company believes 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 Company's 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 Industries' 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, the Company believes 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, Taiyo 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 Taiyo 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-subsidary relationship, there are many similarities in the management issues they face and their corporate cultures, and the Company confirmed through the interview that since Taiyo Pacific Partners already has a good track record with Roland Corporation, the probability of realizing 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 April 26, 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 March 15, 2024 and 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 the Tender Offer Price. On April 23, 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. 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 (including the contents provided in the Additional Report dated March 26, 2024 and Additional Report dated April 26, 2024, submitted by the Special Committee (defined below respectively) (same applies hereinafter)), 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 Shareholders of the Company tender their shares in the Tender Offer.

Please note that all 3 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.

2. Summary of Share Consolidation

(1) Schedule of the Share Consolidation

(i)	Date of public announcement of record date for the Extraordinary Shareholders' Meeting	May 25, 2024 (Saturday)
(ii)	Record date for the Extraordinary Shareholders' Meeting	June 10, 2024 (Monday)
(iii)	Date of resolution of the board of directors	June 27, 2024 (Thursday)
(iv)	Date of the Extraordinary Shareholders' Meeting	August 1, 2024 (Thursday) (scheduled)
(v)	Date of designation as a stock to be delisted	August 1, 2024 (Thursday) (scheduled)
(vi)	Last trading date of the Company's Stock	September 2, 2024 (Monday) (scheduled)
(vii)	Date of delisting of the Company's Stock	September 3, 2024 (Tuesday) (scheduled)
(viii)	Effective date of the Share Consolidation	September 5, 2024 (Thursday) (scheduled)

(2) Details of the Share Consolidation

(I) Class of shares to be consolidated
Common stock

(II) Ratio of consolidation
6,000,000 shares of the Company's Stock are to be consolidated into one share.

(III) Total number of issued shares to decrease
12,319,023 shares
(Note) Since the Company has resolved at the Board Meeting to cancel 886 shares of treasury stock (which represent all the treasury shares as of June 10, 2024) on September 4, 2024, the "Total number of issued shares to decrease" is based on the total number of issued shares after such cancellation.

(IV) Total number of issued shares before effectuation
12,319,025 shares
(Note) Since the Company has resolved at the Board Meeting to cancel 886 shares of treasury stock (which

represent all the treasury shares as of June 10, 2024) on September 4, 2024, the "Total number of issued shares before effectuation" is based on the total number of issued shares after such cancellation.

(V) Total number of issued shares after effectuation
2 shares

(VI) Total number of authorized shares on effective date
8 shares

(VII) Treatment of fractional shares less than one share and amount of money expected to be paid to shareholders as a result of such treatment

(a) Whether the treatment under Article 235, Paragraph 1 of the Companies Act or the treatment under Article 234, Paragraph 2 of the said act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the said act is planned, and the reasons therefor

As described in "1. Purposes and reasons for the Share Consolidation" above, upon the Share Consolidation, the number of the Company's Stock held by the shareholders other than the Offeror will be fractional share of less than one share.

With respect to fractional shares of less than one share resulting from the Share Consolidation, the Company will sell the number of shares equivalent to the total number of such fractional shares (when the total number includes fractional shares of less than one share, such fractions will be rounded down pursuant to Article 235, Paragraph 1 of the Companies Act) pursuant to the provisions of Article 235 of the Companies Act and other relevant laws and regulations, and pay the proceeds from the sale to the shareholders in proportion to their fractional shares.

The Company plans to sell the Company's Stock in the number equivalent to the total number of such fractional shares to the Offeror with permission of a court in accordance with Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the said act, considering that it is unlikely that any purchaser can be found through public sale due to the facts that the Share Consolidation is to be conducted as part of the Transactions which aim at taking the Company's Stock private and that the Company's Stock are to be delisted as of September 3, 2024, becoming shares with no market price.

In such case, if the court permission above is obtained as planned, the sales price is expected to be set so as to pay money equivalent to the amount obtained by multiplying the number of the Company's Stock held by each of the shareholders by 5,370 yen which is the same as the Tender Offer Price.

(b) Name of person expected to purchase shares subject to sale
XYZ K.K. (the Offeror)

(c) Method by which the person expected to purchase shares subject to sale secures funds to pay the sale price, and the reasonableness of the method

As described in "(I) Outline of the Tender Offer" under "(2) Grounds and reasons for the opinion" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, if the Tender Offer is successfully completed, the Offeror plans to finance the settlement of the Tender Offer by borrowing up to 44,282 million yen from Resona Bank (the "Bank Loan") no later than one business day prior to the commencement date of the settlement and by receiving a contribution from the Fund no later than two business days prior to the commencement date of the settlement. The Company has confirmed the method by which the Offeror secures the funds by confirming the loan certificate pertaining to the Bank Loan and the contribution certificate pertaining to the contribution from the Fund. According to the Offeror, the details of the financing terms for the Bank Loan will be set forth in the

agreement for the Bank Loan after separate consultation with Resona Bank. Under the agreement for the Bank Loan, the Company's Stock to be acquired by the Offeror through the Transaction will be pledged as collateral and after the completion of a series of procedures to make the Offeror the sole shareholder of the Company (the "Squeeze-out Process"), certain assets of the Company are expected to be pledged as collateral.

In addition, according to the Offeror, the Offeror plans to pay the sales price of the Company's Stock that equals to the total number of fractional shares less than one share resulting from the Share Consolidation and no event has occurred that may hinder such payment, and the Offeror is not aware of any likelihood of occurrence of such event in the future.

Therefore, the Company has determined that the method is reasonable by which the Offeror secures funds for the payment of the sales price of the Company's Stock that equals to the total number of fractional shares less than one share.

(d) Expected timing of sale and expected timing of payment of sales proceeds to shareholders

After the effectuation of the Share Consolidation, the Company plans to file a petition with a court in late September 2024 in accordance with Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same act, seeking permission for sale of the Company's Stock that equals to the total number of fractional shares less than one share resulting from the Share Consolidation. The timing of obtaining such permission may vary depending on the circumstances in the court and other factors. The Company expects to sell such Company's Stock with the court permission in mid-October 2024, and then to make necessary preparations for payment of the proceeds from the sale to the shareholders, and to pay such sales proceeds to the shareholders in late October to early November 2024.

As described above, the Company has determined that the Company's Stock that equals to the total number of fractional shares less than one share resulting from the Share Consolidation will be sold and the sales proceeds will be paid to the shareholders at the respective timing mentioned above, considering the period of time required from the effective date of the Share Consolidation to a series of procedures for the sale.

3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the Share Consolidation

(1) Grounds and reasons for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares

(I) Matters that were considered to not harm interest of shareholders other than parent company, etc. if there is such parent company, etc.

The Share Consolidation will be conducted as the second step procedures of a so-called two-step acquisition following the Tender Offer. In view of the fact that the Tender Offer is part of the Transaction for a management buyout (MBO) and that there is an issue of structural conflict of interest, the Company and the Offeror have taken the measures described in "(3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below to ensure fairness of the Transaction, including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the implementation of the Tender Offer, and preventing conflicts of interest.

(II) Treatment of fractional shares less than one share, and the amount of money expected to be paid to shareholders as a result of such treatment and the reasonableness of such amount

Upon the Share Consolidation, as described in "Whether the treatment under Article 235, Paragraph 1 of the Companies Act or the treatment under Article 234, Paragraph 2 of the said act as applied mutatis mutandis

pursuant to Article 235, Paragraph 2 of the said act is planned, and the reasons therefor" under "(VII) Treatment of fractional shares less than one share and amount of money expected to be paid to shareholders as a result of such treatment" under "(2) Details of the Share Consolidation" under "2. Details of the Share Consolidation" above, the money equivalent to the amount obtained by multiplying the number of the Company's Stock held by each of the shareholders by 5,370 yen which is the same as the Tender Offer Price will be paid to shareholders. 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 "(3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below. 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 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 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, 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 "(3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer," the Tender Offer Price before the Changes in the Terms and Conditions of the Tender Offer 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 Special Committee" under "(3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer " below.

Then, taking into account that the Tender Offer Period is until April 26, 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 March 15, 2024 and 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 the Tender Offer Price, and the Company received a response from Taiyo Pacific Partners on March 23, 2024 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.

In addition, the Company has confirmed that there have been no material changes in the conditions on which the Company's judgement regarding the Tender Offer Price is based since the date of the resolution reiterating the recommendation that the Company's shareholders tender their shares in the Tender Offer until the meeting of the board of directors on June 27, 2024, which resolved to convene the Extraordinary Shareholders' Meeting.

Based on the above, the Company has determined that the amount of money expected to be paid to

shareholders as a result of the treatment of fractional shares is reasonable.

(III) Disposition of material assets, assumption of material liabilities, and other events materially affecting the status of company's assets that occurred to the Company after the end of the final business year

- (a) As described in "1. Purposes and reasons for the Share Consolidation" above, the Offeror carried out the Tender Offer with a tender offer period commencing on February 13, 2024 and ending on May 15, 2024, and as a result, came to hold 9,247,711 shares of the Company's Stock as of May 22, 2024 which is the commencement date of the settlement of the Tender Offer.
- (b) As announced in the "Notice Regarding the Dividend of Surplus (No Dividend Payment) and the Discontinuation of the Shareholder Benefit Program" issued by the Company as of February 9, 2024, the Company passed a resolution at its board of directors meeting held on the same day to not pay a dividend with a record date of December 31, 2023 and, conditional upon the successful completion of the Tender Offer, to discontinue the shareholder benefit program effective from the fiscal year ended December 31, 2023. For details, please see the published document.
- (c) The Company has resolved at the meeting of the board of directors held on June 27 to cancel 886 treasury shares (which represent all the treasury shares held by the Company as of June 10, 2024) on September 4, 2024. The cancellation of treasury shares is subject to the proposal on the Share Consolidation being approved and adopted at the Extraordinary Shareholders' Meeting as originally proposed.

(2) Possibility of delisting

(I) Delisting

As described in "1. Purposes and reasons for the Share Consolidation" above, the Company plans to implement the Share Consolidation to make the Offeror the sole shareholder of the Company, subject to the approval of the shareholders at the Extraordinary Shareholders' Meeting. Consequently, the Company's Stock will be delisted through the prescribed procedures in accordance with the TSE's delisting criteria.

As for the timeline of it, the Company's Stock will be designated as delisted issues from August 1, 2024 to September 2, 2024, and will subsequently be delisted on September 3, 2024. Please be noted that the Company's Stock will be untradable on the Prime Market of the TSE after delisting.

(II) Reasons for delisting

As described in "1. Purposes and reasons for the Share Consolidation" above, the Company has concluded that taking the Company's Stock private by implementing the Transaction will contribute to the enhancement of the corporate value of the Roland DG Group.

(III) Impact on minority shareholders and the opinions thereon

As described in "(II) Establishment by the Company of an independent special committee and procurement of a written report from the Special Committee" under "(3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" below, the Company's board of directors has obtained a report from the Special Committee as of April 26, 2024 to the effect that it believes that the Transaction will not be disadvantageous to the minority shareholders of the Company.

(3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer

In view of the fact that the Tender Offer is part of the Transaction for a management buyout (MBO) and that there is an issue of structural conflict of interest, the Company and the Offeror have taken the following measures to ensure fairness of the Transaction, including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the implementation of the Tender Offer, and preventing conflicts of interest.

The descriptions below regarding the measures taken by the Offeror are based on the explanations provided by the Offeror.

(I) Procurement by the Company of a share valuation report from an independent third-party valuator

In expressing its opinion on the Tender Offer, for the purpose of ensuring fairness in the process of making a decision on the Tender Offer Price proposed by the Offeror, the Company requested Nomura Securities, a financial advisor and third-party valuator independent of both Mr. Kohei Tanabe and the Offeror (collectively, the "Offeror Parties") and of the Company, to calculate the value of the Company's Stock and received the Share Valuation Report (Nomura Securities) on February 8, 2024.

For the details of the Share Valuation Report (Nomura Securities) procured by the Company from Nomura Securities, please see "(II) Overview of calculations" under "(3) Matters concerning calculations" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release.

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 addition, the Special Committee confirmed that there is no question about the independence of Nomura Securities.

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

In light of the fact that the Tender Offer is implemented as part of a management buyout (MBO) and that a structural conflict of interest may arise in the consideration of the Transaction at the Company, the Company resolved at the board of directors meeting held on December 21, 2023 to establish the Special Committee consisting of 3 members, after confirming that each member is independent of the Company, the Offeror Parties, and the success or failure of the Transaction, and is qualified to serve as a committee member, in order to exercise caution in the decision-making concerning the Transaction at the Company, to eliminate the possibility of arbitrariness and conflict of interest in the decision-making by the Company's board of directors, and to ensure the fairness of such decision-making, and to obtain an opinion as to whether the decision of the Company's board of directors to implement the Transaction will be disadvantageous to the minority shareholders of the Company. The committee members are Mr. Yasuhiro Kasahara (an Independent Outside Director of the Company), who has extensive experience and deep insight in legal affairs as an attorney-at-law, Mr. Osamu Hosokubo (an Independent Outside Director of the Company), who has served as a representative director of many investment companies and has extensive experience and a high level of insight in corporate investment and acquisitions, and Ms. Naoko Okada (an Independent Outside Director of the Company), who has a Master of Business Administration (MBA) and has extensive experience and a high level of insight as a corporate management specialist (The members of the Special Committee have not been changed since its establishment, and Mr. Yasuhiro Kasahara has been elected chair of the Special Committee by mutual vote among the committee members.).

Based on the resolution of the board of directors, the Company consulted with the Special Committee on whether: (A) the purpose of the Transaction, including the Tender Offer, is considered reasonable (including whether the Transaction contributes to the enhancement of the Company's corporate value); (B) the fairness of the procedures leading to the Transaction, including the Tender Offer, is ensured; (C) the appropriateness of the terms and conditions of the Transaction is ensured; (D) the decisions regarding the Transaction (including the decision to express an opinion regarding the Tender Offer) are not disadvantageous to the minority shareholders of the Company; and (E) the Company's board of directors should express an opinion in favor of the Tender

Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer (collectively, the "Consultation Matters"), and commissioned the Special Committee to submit a written report on these items (the "Report") to the Company.

Furthermore, in establishing the Special Committee, the Company's board of directors has resolved that: (i) the decisions of the Company's board of directors regarding the Transaction will be made with the utmost respect for the judgments made by the Special Committee, and in particular, if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Company's board of directors will not support the Transaction under such terms and conditions, and (ii) the Company will authorize the Special Committee (a) to negotiate with the Offeror itself in order to ensure fair negotiations between the Company and the Offeror or, even in the case where the Company's advisors conduct the negotiations with the Offeror, to be substantially involved in the process of the Company's negotiations with the Offeror with respect to the terms and conditions of the Transaction, by receiving timely reports on the situation of the negotiations, expressing opinions in important aspects, and issuing instructions and making requests; (b) to consider the extent of the measures to be taken to ensure the fairness of the Transaction, and to provide opinions and recommendations as necessary; (c) to approve (including ex-post facto approval) the financial advisor or legal advisor appointed by the Company and receive professional advice or explanations from such advisors, as necessary, in providing its report on the Consultation Matters, or to appoint its own financial advisor or legal advisor and receive professional advice from such advisor (the cost thereof will be borne by the Company); and (d) in providing the report on the Consultation Matters, to receive information from the Company's officers and employees as may be necessary for considering and making judgments concerning the Transaction.

The remuneration of each member of the Special Committee as a committee member is included in their respective remuneration as an Outside Director. Their remuneration is paid regardless of the content of the Report and does not include any performance fee payable subject to announcement or completion of the Transaction.

The Special Committee held a total of 12 meetings from December 25, 2023 to February 9, 2024, and also discussed and considered the Consultation Matters during intervals between meeting days through reporting, information sharing, deliberation, and decision-making via email. Specifically, the Special Committee received explanations from the Company regarding the background for the proposal of the Transaction, the purpose of the Transaction, the business environment, the content of the Business Plan and the procedures for the development thereof, and management issues, followed by a question-and-answer session, and received explanations from the Offeror Parties on the background and reasons for the proposal of the Transaction, the purpose of the Transaction, and the terms and conditions of the Transaction, followed by a question-and-answer session. In addition, as a policy for the Special Committee's involvement in the process of negotiations with the Offeror Parties, it has been confirmed that, while direct negotiations will be conducted by the Company's financial advisor, Nomura Securities, as the Company's point of contact, the Special Committee can be substantially involved in the negotiation process regarding the transaction terms by receiving timely reports on the situation from the persons in charge of the negotiations, expressing opinions in important aspects, and issuing instructions and requests. Furthermore, the Company has received explanations from Nomura Securities regarding the method and results of the valuation of the Company's Stock.

Subsequently, after receiving timely reports from the Company and Nomura Securities on the process and details of discussions and negotiations between the Offeror Parties and the Company regarding the Transaction and holding discussions within the Special Committee, the Special Committee took part in the negotiations with the Offeror Parties regarding the Tender Offer Price, which were conducted 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, including by expressing an opinion to the Company that the Company should request the Offeror Parties to increase the Tender Offer Price. In addition, the Special Committee received explanations from Anderson Mori & Tomotsune regarding the measures taken to mitigate

or prevent conflicts of interest in the Transaction and explanations regarding the Transaction, followed by a question-and-answer session regarding each of them, and received explanations from the Company and Nomura Securities regarding the process of negotiation and decision-making regarding the terms and conditions of the Transaction, followed by a question-and-answer session thereon.

The Special Committee approved the appointment of Anderson Mori & Tomotsune, the Company's legal advisor, and Nomura Securities, the Company's financial advisor and third-party valuator, after confirming their respective degrees of independence, expertise, and experience.

As a result of such careful discussion and consideration on the Consultation Matters, on February 9, 2024, the Special Committee submitted to the Company's board of directors the Report, the content of which are summarized below, with the unanimous consent of all members.

(A) Whether the purpose of the Transaction, including the Tender Offer, is considered reasonable (including whether the Transaction contributes to the enhancement of the Company's corporate value)

Based on the following, (i) the synergies expected from the Transaction are reasonable, and there is no conflict or discrepancy between the assumptions of Taiyo Pacific Partners and those of the Company, and the implementation of the Transaction will contribute to resolving the management issues identified by the Company, (ii) the reasons why the Transaction, not a bold business transformation while maintaining the Company's listing, or other methods such as going private through M&A with other partners, should be implemented are reasonable, and the implementation of the Transaction is also reasonable, and (iii) it is deemed that there are no circumstances that would be recognized as material obstacles to the enhancement of the Company's corporate value through the Transaction, and therefore it is deemed that the Transaction, including the Tender Offer, will contribute to the enhancement of the Company's corporate value, and the purpose of the Transaction is deemed to be reasonable.

- According to the Company, in order to achieve further growth and increase corporate value in the medium to long term, the Roland DG Group has recognized that, in addition to the optimal and agile allocation of management resources in each business, (i) the development of new markets centered on Digital Fabrication and the creation and expansion of new businesses such as the SaaS business through connected services, and (ii) the further establishment of a lean management structure on a global basis to support these businesses, which are challenges to be addressed, are crucial to its growth strategy. The Roland DG Group has also identified the following as the challenges to be addressed: (iii) to further develop the organizational culture (spreading and maturing the spirit of innovation throughout the organization under a leader with an entrepreneurial spirit, and improving the organization's sense of autonomy and mission, and thereby moving away from organizational and procedural complexity); (iv) to further deepen product and business models by focusing on irrationality and inefficiency from the user's perspective; (v) to strengthen the M&A structure and strategic planning as measures to accelerate the creation of new businesses; (vi) to recruit the necessary personnel for salary reform and further corporate transformation (including not only recruiting highly qualified personnel from outside the Company, but also proactively promoting talented internal personnel), and promote the reform of the human resources system (including reviewing recruitment strategies to improve the competitiveness of recruitment) and ensure its effectiveness. In this way, during the process of planning for accelerated business development, the Roland DG Group has reaffirmed the possibility that its existing management resources alone will not be sufficient to address the challenges (i) through (vi) above and to promptly and sufficiently strengthen its global structure and implement growth strategies based thereon, and the Roland DG Group has come to recognize that it needs to address organizational challenges such as establishing market-competitive recruitment conditions and a more flexible evaluation system and organizational design that support the active promotion of talented internal personnel and the recruitment of highly specialized external personnel by utilizing external management resources; implementing various

investments and business alliances, including M&A; implementing effective customer loyalty evaluation and further deepening the product and business model based on the user perspective gained from such evaluation; and engaging in initiatives to strengthen the recruitment, training and retention of talented personnel to support the Roland DG Group's future growth, including the implementation of measures (i) through (vi) above.

- Among the strategic options, including going private through collaboration with an external partner, that the Company has considered as part of its strategy to address and achieve the management issues and challenges described above, taking actions that the Company believes are optimal will generally contribute to the enhancement of the Company's corporate value.
- Taiyo Pacific Partners believes that in order for the Company to achieve sustainable growth, it is important to improve the Company's ability to create new businesses, which has historically been one of its strengths, and to focus on corporate transformation to make existing businesses more profitable and to create new business models, which must be promoted with priority and speed. Taiyo Pacific Partners also believes that the first step for the Company to continuously create new businesses in the future is to ensure that the seeds of new businesses identified during the periods covered by the Mid-Term Business Plan, such as the businesses of UAB DG DIMENSE acquired in July 2023, blossom into the pillars of its business activities, and by making the most of Taiyo Pacific Partners' extensive knowledge that it has acquired in supporting the creation of new businesses in portfolio companies, the Company will be able to increase the effectiveness and speed of achieving this.
- According to Taiyo Pacific Partners, the shift from the products for developed markets on which the Company has focused has been challenging, and Taiyo Pacific Partners will continue to support the Roland DG Group's steady transformation, including unification, reallocation of resources, and review of incentives, and there is room to improve profitability in areas such as service and maintenance, which have traditionally received relatively less attention, by leveraging Taiyo Pacific Partners' extensive knowledge in building global service-oriented business models and cost control.
- Taiyo Pacific Partners also recognizes that each of the Company's overseas sales subsidiaries has a strong autonomous and entrepreneurial spirit and has established a solid local network, as it was originally established as a joint venture with its partners, while Taiyo Pacific Partners suspects that, as a result, there has been a lack of coordination and functional unification across regions. Taiyo Pacific Partners expects that the Roland DG Group will further strengthen its management base by establishing a truly global organizational structure, and will benefit from Taiyo Pacific Partners' extensive knowledge of global organizational optimization in establishing a global management structure.
- In addition, according to the Company, the Company believes that the Transaction is expected to generate the synergies described above. On the other hand, the Company rediscovered that the Roland DG Group's current management resources alone may not be sufficient to implement its growth strategies and policies, and has come to realize the necessity of establishing a system that can steadily implement such strategies in a short period of time by utilizing the unique and abundant experience, achievements, human resources, and management know-how of Taiyo Pacific Partners.
- Further, the expected synergies as described above are considered to be reasonable because there are no discrepancies or obvious contradictions to objective facts. Furthermore, the synergies expected by Taiyo Pacific Partners and the Company are generally in line with each other, and no contradiction or discrepancy has been found between them.
- According to the Company, in order to consider parties that could be a "partner that will contribute to the enhancement of the Company's mid- to long-term corporate value," the Company selected 2 PE Funds other than Taiyo Pacific Partners on the advice of Nomura Securities, and began bidding procedures for the 3 companies in early October 2023 after conducting due diligence. On December

20, 2023, the Company received final proposals from 2 companies including Taiyo Pacific Partners for a partnership aimed at enhancing the Company's mid- to long-term corporate value. During the course of comparing and examining the proposals received from the 2 companies, the Company has come to the conclusion that, compared to the other candidates, Taiyo Pacific Partners is superior in terms of the proposed price, probability for the consummation of the Transaction, and strategies and measures aiming at the enhancement of the Company's mid- to long-term corporate value. Then, on December 21, 2023, the Company has come to the conclusion that the Taiyo Proposal, which recommends the Company's Stock going private by management buyout (MBO) method, will contribute to the realization of further growth and enhancement of the Company's corporate value over the mid- to long-term.

- In addition, according to the Company, the Company came to believe that while initiatives to accelerate growth by further promoting corporate transformation utilizing external management resources are opportunities that are expected to generate greater growth in the mid- to long-term than the growth expected to be generated through other strategic options such as capital alliance or management integration with companies; however, the Company has concluded that it would be difficult to implement these initiatives while remaining listed, as there is an undeniable possibility of causing adverse effects on its shareholders such as a short-term decline in the market price of the Company's Stock. On the other hand, the Company believes that it is necessary to promptly implement various initiatives, given the business environment in which the risk of stagnation or slowdown in the market for eco-solvent printers for the signage market, the Roland DG Group's main market, is increasing. Under these circumstances, the Company has come to believe that its going private through a management buyout (MBO) by Taiyo Pacific Partners, and thereby 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 are important to increasing its corporate value. Based on these explanations provided by the Company, the Special Committee believes that the Company's decision to seek to enhance its corporate value through the Transaction, rather than through other means such as bold business reform while remaining listed or going private through M&A with an alliance, is reasonable.
- The Special Committee has not identified any special circumstances that it believes would present a material impediment to the enhancement of the Company's corporate value through the Transaction for the following reasons: according to Taiyo Pacific Partners, no actions are planned to be taken in the Transaction that may, following the change in the management structure or treatment of employees after the Transaction or the privatization of the Company, have an adverse effect on the Company's ability to attract talented employees and expand business with partners, which has been developed with the enhanced social credibility and reputation that the Company has enjoyed as a listed company, or otherwise reduce the corporate value of the Company; while the Company will no longer be able to raise funds through equity financing in the capital markets, given the recent increase in the cost of maintaining a listing, it is difficult to see the importance of maintaining a listing. Further, maintaining a listing is becoming relatively less necessary as the larger part of the Company's ability to attract talented employees and expand business with partners, which has been developed with the enhanced social credibility and reputation of the Roland DG Group, is now gained through business activities; these disadvantages are not likely to have a significant impact on the Company's business and the advantages of going private outweigh the disadvantages, as Taiyo Pacific Partners intends to assist the Company in raising funds for business expansion through M&A and alliances; and while the Company has received the Alliance Proposal A from the Alliance Candidate A, it is not necessarily highly probable that the Transaction will result in specific and objective events that would constitute a material impediment to the continuation of the business

relationship between the Company and the Alliance Candidate A. In addition, the volume of transactions with the Alliance Candidate A represents a small portion of the total volume of similar transactions. Accordingly, the Company has determined that even if such an impact were to occur, it would not have a material adverse effect on the Company's corporate value in the mid- to long-term.

(B) Whether the fairness of the procedures leading to the Transaction, including the Tender Offer, is ensured

Based on the following, it is considered that in the Transaction, (i) it is ensured that circumstances concerning the process of establishing the transaction terms are substantially the same as those in a transaction between independent parties, and (ii) substantial measures to ensure fairness have been adopted and effectively operated from the viewpoint of securing opportunities for general shareholders to make appropriate decisions based on sufficient information, and thus, it is considered that the fairness of the procedures leading to the Transaction, including the Tender Offer, is ensured.

- The Special Committee consists of three Independent Outside Directors of the Company, each of whom is independent of the Company, the Offeror Parties, and the success or failure of the Transaction, and in view of the Special Committee's establishment and its authority, it is considered that the Special Committee is functioning effectively as a measure to ensure fairness.
- With respect to the Company, all of its 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) are scheduled to unanimously resolve 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, and all 4 auditors of the Company are scheduled to attend the above board of directors meeting and give their opinion that they have no objection to the above resolution (Among the Company's directors, Mr. Kohei Tanabe, President, Representative Director, will not participate in the above deliberation and resolution of the board of directors because a structural conflict of interest concerning the Transaction exists between the Company and Mr. Tanabe, in light of the fact that he plans to make the Contribution and continue to engage in the management of the Company after the Transaction if the Tender Offer is successfully completed. He also has not participated in any discussion or negotiation with the Offeror in a position to represent the Company since the point in time when he received the Taiyo Proposal dated December 20, 2023, and decided that he would start considering specifically the possibility of conducting a management buyout (MBO) with Taiyo Pacific Partners. In addition, among the Company's directors, because a structural conflict of interest concerning the Transaction exists between the Company and Mr. Brian K. Heywood as the CEO of Taiyo Pacific Partners L.P., Mr. Heywood will not participate in the above deliberation and resolution of the board of directors, nor did he participate in any discussion or negotiation with the Offeror in a position to represent the Company). In addition, the Company's board of directors has resolved that: (i) its decisions regarding the Transaction will be made with the utmost respect for the judgments made by the Special Committee, and if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Company's board of directors will not support the Transaction under such terms and conditions. Considering these facts, it can be said that arbitrariness in the Company's decision-making regarding the Transaction has been eliminated and the fairness, transparency, and objectivity of the decision-making process has been ensured.
- The Company retained Anderson Mori & Tomotsune as its legal advisor independent from the Company and the Offeror Parties, and has received necessary legal advice from the firm with respect to the method and process of decision-making by the Company's board of directors, including the procedures for the Transaction, and other matters that must be noted.
- The Company requested Nomura Securities, a financial advisor and third-party valuator independent of the Company and the Offeror Parties, to calculate the value of the Company's Stock and received

the Share Valuation Report (Nomura Securities) on February 8, 2024.

- Considering the fact that (i) as part of the efforts to secure opportunities for potential acquirers to make acquisition proposals (market check), the Company has conducted bidding procedures with 3 candidates including Taiyo Pacific Partners, proactively providing opportunities for persons other than the Offeror to purchase or otherwise acquire shares of the Company's Stock, (ii) the Tender Offer Period has been set at 30 business days, whereas the minimum period required by laws and regulations is 20 business days, and (iii) the Offeror and the Company have not entered into any agreement that would restrict any such competing offeror from contacting the Company, such as an agreement containing a transaction protection clause that would prohibit the Company from contacting a competing offeror, consideration has been given to ensure the fairness of the Tender Offer through methods such as securing opportunities to receive competing offers for purchase.
- The minimum number of shares to be purchased in the Tender Offer is planned to be set at a number exceeding the "Majority of Minority," and it is considered that, by requiring the approval (tender of shares) of a majority of general shareholders who have no interest in the Tender Offer, this will lead to an increased emphasis on ensuring opportunities for general shareholders to make decisions, and will contribute to the M&A being conducted on transaction terms as favorable as possible to general shareholders.
- In the Transaction, substantial information is scheduled to be disclosed in each press release, including information on the authority granted to the Special Committee, the process of consideration by the Special Committee and its involvement in the negotiation process, the contents of the Report and the compensation system for the members of the Special Committee, the outline of the Share Valuation Report (Nomura Securities), and the process and negotiations leading to the implementation of the Transaction, and it is considered that the Company's shareholders will be provided with material information to assist them in making a judgment as to the appropriateness of the transaction terms.
- If the Offeror fails to acquire all of the shares of the Company's Stock through the Tender Offer, the Offeror intends to request the Company to hold an extraordinary shareholders' meeting at which it will be proposed to carry out a demand for share cash-out or the Share Consolidation for all of the shares of the Company's Stock 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. Considering the fact that (i) it has been clarified that, in the event of a demand for share cash-out or the Share Consolidation, the amount of cash to be delivered to the Company's shareholders as consideration will be calculated to be the same as the Tender Offer Price multiplied by the number of shares of the Company's Stock held by the Company's shareholders, and (ii) in the case of a demand for share cash-out, the Company's shareholders will have the right to file a petition for a court to determine the sale price, and in the case of the Share Consolidation, and the Company's shareholders will have the right to require the Company to purchase their shares and the right to file a petition for a court to determine the sale price in connection therewith, it is considered that consideration has been given so as to eliminate coerciveness.

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

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 before the Changes in the Terms and Conditions of the Tender Offer 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 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.

(D) Whether the decisions regarding the Transaction (including the decision to express an opinion regarding the Tender Offer) are disadvantageous to the minority shareholders of the Company

Given that none of (A) through (C) above raises any issue, the decision to implement the Transaction is not considered to be disadvantageous to the minority shareholders (general shareholders) of the Company.

(E) Whether the Company's board of directors should express an opinion in favor of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer

Given that none of (A) through (D) above raises any issue, it is considered reasonable for the Company's board of directors to resolve to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

Subsequently, 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, following the publication of the notice by Brother Industries announcing its plan to commence the Brother Tender Offer, 2024, the Company commenced its consideration on whether the Company could maintain its opinion in favor of the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer, and requested the Special Committee to hold a special committee meeting in order to receive their opinions upon the Company's consideration.

The Special Committee then held a meeting on March 14, 2024, and decided that the Special Committee would request Taiyo Pacific Partners to indicate whether it intended to change the terms and conditions of the offer in the Tender Offer since the Tender Offer Price 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 Stock after the announcement of the scheduled commencement of the Brother Tender Offer and the Brother Tender Offer Price. 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 before the Changes in the Terms and Conditions of the Tender Offer, but the Company had not yet received a clear view of Taiyo Pacific Partners as of March 26, 2024.

Based on the response received from Taiyo Pacific Partners, the Company solicited the advice of the Special Committee regarding Additional Consultation Matters on March 22, 2024. The Special Committee then held another 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 report submitted by the Special Committee on the same day is hereinafter referred to as the "Additional Report dated 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release.

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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, 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 dated April 26, 2024") 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 dated April 26, 2024.

(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 dated April 26, 2024. 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 dated April 26, 2024, and no circumstances contrary to these have occurred since the submission of this Report until the submission of the Additional Report dated April 26, 2024. 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 Brother 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 dated April 26, 2024 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.

(III) Advice procured by the Company from an independent law firm

The Company, in order to ensure fairness and appropriateness in the process of decision-making by its board of directors concerning the Tender Offer, retained Anderson Mori & Tomotsune as its legal advisor independent from the Company and the Offeror Parties, and has received necessary legal advice from the firm with respect to the method and process of decision-making by the Company's board of directors, including the procedures for the Transaction, and other matters that must be noted. Anderson Mori & Tomotsune is not a related party of

the Company and the Offeror Parties and has no material interest in the Transaction, including the Tender Offer, that is required to be stated. The Special Committee has confirmed that there is no issue regarding the independence of Anderson Mori & Tomotsune. In addition, the fees paid to Anderson Mori & Tomotsune in relation to the Transaction do not include any performance fee payable subject to conditions such as completion of the Transaction.

- (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

Based on the legal advice from Anderson Mori & Tomotsune and the Share Valuation Report (Nomura Securities) procured from Nomura Securities, and also giving the utmost respect to the content of the Report submitted by the Special Committee, the Company carefully discussed whether the corporate value of the Company will increase through the Transaction and whether the interests to be enjoyed by minority shareholders would be ensured by implementing the Transaction using fair procedures.

As a result, 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, 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 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.

Thereafter, following the publication of the notice by Brother Industries on March 13, 2024 announcing the plan to commence the Brother Tender Offer, the Company carefully considered whether the Company could maintain its opinion in favor of the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer.

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. 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 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, 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. 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.

Among the Company's directors, Mr. Kohei Tanabe, President, Representative Director, did not participate in the above deliberation and resolution of the board of directors because a structural conflict of interest concerning the Transaction exists between the Company and Mr. Tanabe, in light of the fact that he plans to make the Contribution and continue to engage in the management of the Company after the Transaction if the Tender Offer is successfully completed. He also has not participated in any discussion or negotiation with the Offeror on behalf of the Company since the point in time when he received the Taiyo Proposal dated December 20, 2023, and decided that he would start considering specifically the possibility of conducting a management buyout (MBO) with Taiyo Pacific Partners in response to the Taiyo Proposal. In addition, among the Company's directors, because a structural conflict of interest concerning the Transaction exists between the Company and Mr. Brian K. Heywood as the CEO of Taiyo Pacific Partners L.P., Mr. Heywood did not participate in the above deliberation and resolution of the board of directors, nor did he participate in any discussion or negotiation with

the Offeror on behalf of the Company.

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

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 Stock, and thereby to ensure the fairness of the Tender Offer.

In addition, 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" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" of the Opinion Press Release, as part of the efforts to secure opportunities for potential acquirers to make acquisition proposals (market check), the Company has conducted the Bidding Procedures with 3 candidates including Taiyo Pacific Partners, received proposals from not only Taiyo Pacific Partners but also other candidates, and decided to implement the Transaction with the Offeror by comparing and examining such proposals and the results of interviews with each company at the Company's board of directors meeting in terms of the proposed price, probability for the consummation of the Transaction, and strategies and measures aiming at the enhancement of the Company's mid- to long-term corporate value, and has proactively provided opportunities for persons other than the Offeror to purchase or otherwise acquire shares of the Company's Stock. Furthermore, the Offeror and the Company have not entered into any agreement that would restrict any such Competing Offeror from contacting the Company, such as an agreement containing a transaction protection clause that would prohibit the Company from contacting a Competing Offeror. As described above, by setting the above Tender Offer Period and securing opportunities to receive competing offers for purchase, consideration has been given to ensure the fairness of the Tender Offer.

(VI) Setting of minimum number of shares to be purchased to satisfy the "Majority of Minority" condition

The Offeror has set the minimum number of shares to be purchased at 8,151,100 shares (Shareholding Ratio: 66.16%), and if the total number of the Tendered Shares is less than the minimum number of shares to be purchased, the Offeror will purchase none of the Tendered Shares. Such minimum number of shares to be purchased exceeds the number of shares (7,583,518 shares) obtained by adding the number of shares of the Company's Stock held by Taiyo Pacific Partners L.P. (2,390,800 shares), Mr. Kohei Tanabe (2,642 shares), Mr. Tomioka (326,900 shares), and Roland Corporation (127,300 shares) to the majority (4,735,876 shares, rounded up to the nearest whole number) of the total number of issued shares of the Company as of the December 31, 2023 (12,319,911 shares) as stated in the Company's Earnings Briefing less the number of treasury shares held by the Company (518 shares) and the number of shares of the Company's Stock held by Taiyo Pacific Partners L.P. (2,390,800 shares), Mr. Kohei Tanabe (2,642 shares), Mr. Tomioka (326,900 shares), and Roland Corporation (127,300 shares) as of the same date. In other words, the Tender Offer is set up by giving due consideration to the intentions of the Company's minority shareholders and satisfies the "majority of minority" requirement in that it will not be consummated if less than a majority of the holders of the shares of the Company's Stock who do not have a material interest in the Offeror support the Tender Offer.

4. Future Prospects

As described in "A. Delisting" under "(2) Possibility of Delisting" under "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the Share Consolidation" above, the Company's Stock is expected to be delisted as a result of the implementation of the Share Consolidation.

The Transaction falls under the category of management buyout (MBO), and Mr. Kohei Tanabe plans continue to manage the Company after the completion of the Transaction and plans to promote the management measures described

in "1. Purposes and reasons for the Share Consolidation" above.

5. Matters Concerning Transactions, etc. with the Controlling Shareholder

(1) Applicability of transactions, etc. with the controlling shareholder and status of compliance with guidelines on measures for protection of minority shareholders

Since the Offeror became our parent company as of the commencement date of settlement of the Tender Offer (May 22, 2024), the transactions relating to the Share Consolidation constitute transactions with the controlling shareholder. Although our corporate governance report does not include "guidelines on measures for protection of minority shareholders in transactions, etc. with the controlling shareholders" we have a policy of taking appropriate measures when conducting a transaction, etc. with the controlling shareholder to ensure the fairness of the contents and terms of such transactions by, for example, obtaining advice from attorneys or third party institutions as necessary, and making decisions after careful deliberation by the board of directors, so as not to harm the interests of minority shareholders.

In addition, in making the decision to implement the share consolidation, the Company has taken the measures described in "(3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" under "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the Share Consolidation " above, and we believe that such measures are in compliance with the above policy.

(2) Matters concerning measures to ensure fairness of the transaction and to prevent conflict of interest

Please see "(3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" under "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the Share Consolidation " above.

(3) Summary of the opinion obtained from persons without interest in the controlling shareholder on the fact that the Transaction will not be disadvantageous to minority shareholders

As of February 9, 2024 and April 26, 2024, the Company received the Report and the Additional Report dated April 26, from the Special Committee to the effect that the Transaction will not be disadvantageous to our minority shareholders. Since the Report also serves as an opinion that the decision to implement the Share Consolidation will not be disadvantageous to the minority shareholders of the Company after the completion of the Tender Offer, the Company has not obtained a separate opinion from a person without interest in the controlling shareholder. For details, please see "(II) Establishment by the Company of an independent special committee and procurement of a written report from the committee" under (3) Measures to ensure fairness of the Tender Offer Price and to prevent conflict of interest and other measures to ensure fairness of the Tender Offer" under "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the Share Consolidation" above.

II. Abolition of Provision on Number of Shares Constituting One Unit of Shares

1. Reason for Abolition

The reason is that, if the Share Consolidation takes effect, the total number of issued shares of the Company will be 2 shares, and there will be no need to prescribe the number of shares constituting one unit of shares.

2. Scheduled Date of Abolition

September 5, 2024 (tentative)

3. Conditions for Abolition

The abolition of the provision is subject to the Share Consolidation becoming effective upon the approval and adoption as originally proposed of the proposal regarding the Share Consolidation and the proposal regarding partial amendment of the Articles of Incorporation for the purpose of abolishing the provision on the number of shares constituting one unit of shares (please see "III. Partial Amendment of Articles of Incorporation" below) at the Extraordinary Shareholders' Meeting.

III. Partial Amendment of Articles of Incorporation

1. Purpose of Amendment of Articles of Incorporation

- (1) If Proposal No.1 "Share Consolidation" is approved and adopted as originally proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, the total number of authorized shares of the Company's Stock will be reduced to 8 shares in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. Therefore, in order to clarify this point, we would like to amend Article 6 (Total Number of Authorized Shares) of the Articles of Incorporation subject to the Share Consolidation becoming effective.
- (2) If Proposal No. 1 "Share Consolidation" is approved and adopted as originally proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, the total number of authorized shares of the Company will be 2 shares, and there will be no need to prescribe the number of shares constituting one unit of shares. Therefore, we would like to delete Article 8 (Number of Shares Constituting One Unit) and Article 9 (Rights Concerning Shares Less Than One Unit) of the Articles of Incorporation in their entirety and move up the numbering of the subsequent articles accordingly, subject to the Share Consolidation becoming effective, in order to abolish the provision on the number of shares constituting one unit, which is currently 100 shares.
- (3) If Proposal No. 1 "Share Consolidation" is approved and adopted as originally proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, the Company's Stock will be delisted and the Offeror will be the only shareholder of the Company upon the implementation of the Share Consolidation, and the provision on the record date for the ordinary shareholders' meeting and the provision on the system for electronic provision of materials for the ordinary shareholders' meeting will cease to be necessary. Therefore, subject to the Share Consolidation becoming effective, we would like to delete Article 13 (Record Date for Ordinary Shareholders' Meeting) and Article (Measures for Electronic Provision, etc.) of the Articles of Incorporation in their entirety and move up the numbering of the subsequent articles accordingly, subject to the Share Consolidation becoming effective.

2. Content of the Amendment of Articles of Incorporation

The Articles of Incorporation will be amended as follows. The amendment of the Articles of Incorporation pertaining to this Proposal will become effective on September 5, 2024, the proposed effective date of the Share Consolidation, on the condition that the Share Consolidation becomes effective upon the approval and adoption as originally proposed of Proposal No. 1 "Share Consolidation" at the Extraordinary Shareholders' Meeting.

(The underlines indicate the changes.)

Current Articles of Incorporation	Proposed Amendment
Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>71,200,000</u> shares.	Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>8</u> shares.
<u>Article 8 (Number of Shares Constituting One Unit)</u> <u>The number of shares constituting one unit of shares of the Company shall be 100 shares.</u>	(Deleted)
<u>Article 9 (Rights Concerning Shares Less Than One Unit)</u> <u>A shareholder of the Company shall not exercise any right other than those listed below with respect to shares less than one unit held by such shareholder:</u> <u>(1) The rights listed in each item of Article 189, Paragraph 2 of the Companies Act;(2) The right to make a request pursuant to Article 166, Paragraph 1</u>	(Deleted)

<p><u>of the Companies Act; and</u></p> <p><u>(3) The right to receive allotment of shares for subscription and share options for subscription in proportion to the number of shares held by the shareholder.</u></p>	
<p>Article <u>10</u> to Article <u>12</u> (Provisions omitted.)</p>	<p>Article <u>8</u> to Article <u>10</u> (The same as the current provisions.)</p>
<p><u>Article 13 (Record Date for Ordinary Shareholders' Meeting)</u></p> <p><u>The record date for the ordinary shareholders' meeting of the Company shall be December 31 of each year.</u></p>	<p>(Deleted)</p>
<p>Article <u>14</u> (Provisions omitted.)</p>	<p>Article <u>11</u> (The same as the current provisions.)</p>
<p><u>Article 15 (Measures for Electronic Provision, etc.)</u></p> <p><u>1. When convening an ordinary shareholders' meeting, the Company shall take measures to provide electronically the information contained in the reference documents for the ordinary shareholders' meeting, etc.</u></p> <p><u>2. The Company may choose not to include all or a part of the matters for which electronic provision is made, which are provided for in the Ordinance of the Ministry of Justice, in the documents to be delivered to the shareholders who have made a request for delivery of documents by the record date for voting rights.</u></p>	<p>(Deleted)</p>
<p>Article <u>16</u> to Article <u>39</u> (Provisions omitted.)</p>	<p>Article <u>12</u> to Article <u>35</u> (The same as the current provisions.)</p>

3. Date of Amendment

September 5, 2024 (tentative)

4. Conditions for Amendment

The partial amendment of the Articles of Incorporation is subject to the Share Consolidation becoming effective upon the approval and adoption as originally proposed of the proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting.

End