Translation

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November 6, 2026

To whom it may concern:

Company name:	Charm Care Corporation
Name of representative:	Takahiko Shimomura, Representative Director, Chairman and CEO (Securities code: 6062; TSE Prime Market)
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Notice Concerning Opinion in Favor of Tender Offer for the Company's Shares, Etc. by SHIP HEALTHCARE HOLDINGS, INC., the parent company of other associated company, and Recommendation to Tender

Charm Care Corporation (the "Company") hereby announces that its board of directors, at its meeting held today, resolved to express its opinion in favor of a tender offer (the "Tender Offer") for the common shares of the Company (the "Company's Stock") and the Stock Acquisition Rights (as defined in "2. Overview of Purchase" below; hereinafter the same applies) by SHIP HEALTHCARE HOLDINGS, INC. (the "Offeror") and to recommend that the shareholders of the Company tender their shares in the Tender Offer and leave to the holders of Stock Acquisition Rights (the "Stock Acquisition Right Holders") the decision on whether or not to tender their Stock Acquisition Rights in the Tender Offer, as detailed below.

Please note that this resolution of the board of directors was adopted on the premise that the Offeror intends to make the Company a wholly-owned subsidiary of the Offeror through the Tender Offer and a series of subsequent procedures and that the Company's Stock will be delisted.

1. Overview of the Offeror

(1)	Name	SHIP HEALTHCARE HOLDINGS, INC.	
(2)	Location	3-20-8, Kasuga, Suita-shi, Osaka, Japan	
(3)	Job title and name of representative	Futoshi Ohashi, Representative Director, President	
(4)	Description of business	Strategy formulation and business administration for the entire group	
(5)	Share capital	15,553,010,000 yen	
(6)	Date of establishment	August 27, 1992	
(7)	Major shareholders and ownership ratios (as of March 31, 2026 (Note))	The Master Trust Bank of Japan, Ltd.	11.30%
		STATE STREET BANK AND TRUST COMPANY (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	10.70%
		Kokko Co., Ltd.	8.67%
		Custody Bank of Japan, Ltd. (trust account)	7.31%
		STATE STREET BANK AND TRUST COMPANY	3.49%

	(Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	
	JP MORGAN CHASE BANK (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	3.14%
	Kasuga Kosan LLC	3.04%
	JP MORGAN CHASE BANK (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	3.02%
	Koichiro Furukawa	2.67%
	NORTHERN TRUST CO.(AVFC) RE FIDELITY FUNDS (Standing Proxy: HSBC Tokyo Branch)	2.62%

(8) Relationship between the Company and the Offeror

Capital relationship	The Offeror indirectly owns 9,600,000 shares of the Company's Stock (shareholding ratio (as defined in "(I) Overview of tender offer" under "(2) Grounds and reasons for the opinion" under "3. Details of, and Grounds and Reasons for Opinion on the Tender Offer" below): 29.33%) through STK Co., Ltd. ("STK"), a wholly-owned subsidiary of the Offeror which is the largest shareholder of the Company, thereby holding the Company as its equity method affiliate.
Personnel relationship	As of today, one of the seven directors of the Company is an outside director assigned from the Offeror.
Business relationship	The Offeror has entered into the business alliance agreement dated May 12, 2020 (the "Business Alliance Agreement 2020") with the Company. There are also business relationships, including delegation of meal services, purchase of supplies and nursing care products, between the Company and the Offeror's company group.
Related party relationship	The Offeror is a related party since it indirectly owns 9,600,000 shares of the Company's Stock (shareholding ratio: 29.33%) through STK, a wholly-owned subsidiary of the Offeror which is the largest shareholder of the Company, thereby holding the Company as its equity method affiliate.

(Note) The information under "Major shareholders and ownership ratios" is cited from the information under "Major shareholders" in the "Annual Securities Report for the 34th Fiscal Year" filed by the Offeror on June 25, 2026.

2. Overview of Purchase

Purpose of purchase	Acquisition of 100% ownership
Period of purchase	From November 9, 2026 (Monday) to December 21, 2026 (Monday) (30 business days)
Purchase price	(1) 1,970 yen per common share (the purchase price per share of the Company's stock is hereinafter referred to as the "Tender Offer Price") (2) Stock acquisition rights (stock acquisition rights set out in (i) to (iv) below are hereinafter collectively referred to as "Stock Acquisition Rights"): (i) 1 yen per stock acquisition right (share award stock options) issued pursuant to the resolution of the Company's board of directors adopted at its meeting held on September 26, 2017 (the "First Stock Acquisition Rights") (Exercise period: From November 1, 2017

	to October 31, 2047); (ii) 1 yen per stock acquisition right (share award stock options) issued pursuant to the resolution of the Company's board of directors adopted at its meeting held on September 26, 2018 (the "Second Stock Acquisition Rights") (Exercise period: From November 1, 2018 to October 31, 2048); (iii) 1 yen per stock acquisition right (share award stock options) issued pursuant to the resolution of the Company's board of directors adopted at its meeting held on September 25, 2019 (the "Third Stock Acquisition Rights") (Exercise period: From November 1, 2019 to October 31, 2049); (iv) 1 yen per stock acquisition right (share award stock options) issued pursuant to the resolution of the Company's board of directors adopted at its meeting held on September 25, 2020 (the "Fourth Stock Acquisition Rights") (Exercise period: From October 31, 2020 to October 30, 2050).
Maximum number of shares to be purchased	-
Minimum number of shares to be purchased	12,194,500 (shares) (Note)

(Note) According to the Offeror, with respect to the lower limit on the number of shares to be purchased, the ownership ratio of the shares, etc. (meaning the ownership ratio of the shares, etc. set forth in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act"), and if the applicable party has a special related party set forth in the same Article, Paragraph 1, Item 1, the term means the ratio obtained by adding the ownership ratio of the shares, etc.) is 66.73 % (rounded to the second decimal place).With respect to the relevant ownership ratio of the shares, etc., the number of fractional shares of the Company as of the present date is not identified, and the number of voting rights of all the shareholders of the Company as of the same date is unknown. As the number of voting rights of all the shareholders as of June 30, 2026 is the number of voting rights of all the shareholders that may be figured out through the documents published or submitted by the Company, the ownership ratio of the shares, etc. is calculated by including as a denominator the number of voting rights of all the shareholders as of June 30, 2026 stated in the annual securities report for the 42th business year submitted by the Company on September 28, 2026 (326,624 voting rights). As a note, the Company has granted to four directors of the Company 10,400 shares of the Company's Stock (carrying 104 voting rights) as restricted stock with the payment date being October 27, 2026 by disposing of its treasury stock (the "RS Grant") and if the number of such voting rights is added to the number of voting rights of all the shareholders as of June 30, 2026, the ownership ratio of the shares, etc. after a purchase in the case of making a purchase for the lower limit on the number of shares to be purchased is 66.71% (rounded to the second decimal place).

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

(1) Details of opinion

The Company, at its board of directors meeting held today, resolved to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer and, given the purchase price per Stock Acquisition Right (the "Stock Acquisition Right Purchase Price") being set at 1 yen, leave to the Stock Acquisition Right Holders the decision on whether or not to tender their Stock Acquisition Rights in the Tender Offer based on the grounds and reasons described in "(2) Grounds and reasons for the opinion" below.

The above-mentioned resolution of the board of directors was adopted in the manner described in "(VI) Unanimous approval by all disinterested directors and opinion of no objection by all corporate auditors of the Company" under "(3) Measures to ensure fairness of the Tender Offer " below.

(2) Grounds and reasons for the opinion

Descriptions of the Offeror among the descriptions in this "(2) Grounds and reasons for the opinion" are based on the explanation provided by the Offeror.

(I) Overview of tender offer

According to the Offeror, it was incorporated in August 1992 as SHIP CORPORATION for the purpose of conducting a consulting business for medical, health and welfare facilities. The Offeror had its stock listed on the Second Section of Tokyo Stock Exchange, Inc. ("TSE") in February 2005 and subsequently transferred to the First Section of TSE in March 2007. In October 2009, it transferred its business by way of an absorption-type company split to SHIP HEALTHCARE HOLDINGS, INC. (currently known as GREEN HOSPITAL SUPPLY, INC.), which was incorporated in May 2009, changed the tradename of the Offeror to SHIP HEALTHCARE HOLDINGS, INC. and transitioned to a holding company structure. As a result of the market restructuring by TSE in April 2022, the Offeror's stock is listed on the TSE Prime Market as of today.

According to the Offeror, as of today, the Offeror Group (meaning the Offeror and its subsidiaries and affiliates; the same applies hereinafter) consists of the Offeror, 50 consolidated subsidiaries and 5 equity-method affiliates. Under its management philosophy of "SHIP" (Sincere, Humanity, Innovation and PartnerSHIP), the Offeror Group has established its group mission "Creating environments for medical professionals" and has determined the medical, health, welfare, nursing care and services fields as its business domains. It is currently active in these domains operating the following core businesses: Total Pack Produce Business (including the collective sale on order and maintenance of medical devices and facilities, consulting relating to medical, health, welfare and nursing care facilities, and real estate leasing to medical institutions); Medical Supply Business (sale of diagnostical materials and medical devices); Lifecare Business (operation of retirement homes and group homes, meal services, and rehabilitation support services); and Dispensing Pharmacy Business (operation of dispensing pharmacies).

According to the Offeror, the Offeror Group, as a whole group, offers one-stop solutions for a broad range of needs across the healthcare business domain, including sale of medical consumables and operation of retirement homes, other nursing care facilities, and dispensing pharmacies, with a focus on establishment of hospitals through "Total Pack Produce," which provides comprehensive engineering of infrastructures for medical institutions.

According to the Offeror, the medical industry in which the Offeror Group operates faces a growing demand for medical care as the population is aging against the backdrop of the so-called "Problem 2025" (Note 1), whereas the business environment for medical institutions is becoming increasingly challenging due to a serious labor shortage, rising labor costs and increases in operating expenses, including utility costs. Key challenges include promoting digital transformation with AI and ICT, and addressing work-style reforms for medical professionals, in order to establish an efficient and high-quality medical care system.

(Note 1) According to the Offeror, the "Problem 2025" refers to the various problems that may have a serious impact on the social security and the economy as the baby boomers (people born from 1947 to 1949) all become "late-stage elderly," which means people at the age of 75 or older, resulting in a super-aged society in which approximately one in five people in Japan is late-stage elderly. In the medical industry, this is expected to result in difficulties in maintaining the operations because there will not be enough workforce to meet an increasing demand for services.

According to the Offeror, overseas as well, there are persisting concerns regarding rising prices, including increases in energy prices, raw material prices and logistics costs, and a contraction in orders received due to difficulties in procurement of electronic components, against the backdrop of the higher U.S. tariffs, the prolonged Russia-Ukraine situation and tensions in the Middle East.

According to the Offeror, despite such circumstances, the Offeror Group has expanded its business in accordance with its consistent policies since its foundation. Building on its policy focusing on growth including international expansion, it has strived to further enhance its corporate value by working on efficient use of assets, improvement in the balance of interest-bearing debts and assets, strengthening of its financial position, and management of its business with a focus on cash flow.

As of today, the Offeror indirectly owns 9,600,000 shares (shareholding ratio (Note 2): 29.33%) in the Company's

Stock listed on the TSE Prime Market through STK, the largest shareholder of the Company and a wholly-owned subsidiary of the Offeror, and holds the Company as an equity-method affiliate. The Offeror does not directly own any shares in the Company's Stock, nor does it indirectly own any such shares through any person other than STK (Note 3).

(Note 2) The "shareholding ratio" means the ratio (rounded to the second decimal place) to the number of shares (32,733,480 shares; the "Fully Diluted Shares Outstanding") obtained by: deducting, from the total number of outstanding shares in the Company as of September 30, 2026 (32,712,000 shares) as stated in the "Consolidated Financial Results for the Three Months Ended September 30, 2026 (Under Japanese GAAP)" published by the Company today (the "Company's Financial Results Brief"), the number of treasury shares (20,240 shares) calculated by subtracting the number of treasury shares disposed of in connection with the grant of the GS Grant (10,400 shares) from the number of treasury shares held by the Company as of September 30, 2026 (30,640 shares) as stated in the Company's Financial Results Brief (32,691,760 shares); and adding the number of shares in the Company's Stock (41,720 shares) underlying the 2,144 Stock Acquisition Rights remaining and exercisable as of September 30, 2026 (Note 4). The same shall apply hereinafter for describing the shareholding ratio unless otherwise specified.

(Note 3) The Offeror has confirmed with STK that STK does not intend to tender any of the shares in the Company's Stock owned by it (the number of shares owned: 9,600,000 shares (shareholding ratio: 29.33%)) in the Tender Offer.

(Note 4) The breakdown of Stock Acquisition Rights existing and exercisable as of September 30, 2026 is as follows:

Name of Stock Acquisition Rights	Number of Units	Number of shares of Company's Stock to be issued
First Stock Acquisition Rights	367 units	14,680 shares
Second Stock Acquisition Rights	449 units	8,980 shares
Third Stock Acquisition Rights	478 units	9,560 shares
Fourth Stock Acquisition Rights	850 units	8,500 shares
Total	2,144 units	41,720 shares

According to the Offeror, it resolved at the meeting of its board of directors held today, to implement the Tender Offer as part of a series of transactions aimed at making the Company a wholly-owned subsidiary of the Offeror by acquiring all shares in the Company's Stock listed on the TSE Prime Market (provided, however, that this shall include the shares in the Company's Stock to be delivered upon the exercise of the Stock Acquisition Rights, and shall exclude the shares in the Company's Stock indirectly owned by the Offeror through STK and the treasury shares held by the Company; the same shall apply hereinafter) and all of the Stock Acquisition Rights (the "Transaction").

According to the Offeror, in implementing the Tender Offer, the Offeror entered into the tender agreement relating to the Tender Offer (the "Tender Agreement") as of today with Mr. Takahiko Shimomura ("Mr. Shimomura"), the second largest shareholder and Representative Director, Chairman and CEO of the Company, pursuant to which Mr. Shimomura agreed to tender in the Tender Offer 5,280,000 shares (shareholding ratio: 16.13%) out of the 5,313,600 shares (shareholding ratio: 16.23%) in the Company's Stock owned by him, excluding 33,600 restricted shares, and agreed not to exercise any of the 1,740 stock acquisition rights owned by him (the number of underlying shares: 34,110 shares) (shareholding ratio: 0.10%) ("Mr. Shimomura's Stock Acquisition Rights Not to be Tendered"), not to tender them in the Tender Offer, and to waive them if the Tender Offer is completed. For the summary of the Tender Agreement, see "(I) Tender Agreement" under "(6) Material agreements concerning the Tender Offer" below.

According to the Offeror, it has set the minimum number of shares to be purchased at 12,194,500 shares (shareholding ratio: 37.25%). If the total number of share certificates, etc. tendered in the Tender Offer (the "Tendered Share Certificates, etc.") is less than the minimum number of shares to be purchased (12,194,500 shares), the Offeror will not purchase any of the Tendered Share Certificates, etc. On the other hand, as the Offeror intends to acquire all of the Company's Stock and all of the Stock Acquisition Rights through the Tender Offer, the Offeror has not set the maximum number of shares to be purchased and will purchase all of the Tendered Share Certificates, etc. if the total number of Tendered Share Certificates, etc. is no less than the minimum number of shares to be purchased (12,194,500 shares).

According to the Offeror, the minimum number of shares to be purchased (12,194,500 shares) is obtained by: multiplying the number of voting rights (326,917 rights) pertaining to the number of shares (32,691,760 shares) calculated by deducting the number of shares underlying the 2,144 Stock Acquisition Rights (41,720 shares) from the Fully Diluted Shares Outstanding (Note 5) by two-thirds (217,945 rights (rounded up to the nearest whole number)); deducting from such number the number of voting rights (96,000 rights) pertaining to the Company's Stock indirectly owned by the Offeror as of today (9,600,000 shares) (resulting in 121,945 rights); and multiplying the resulting number by the number of shares constituting one share unit of the Company (100 shares), so that the total number of voting rights in the Company to be directly or indirectly owned by the Offeror upon the completion of the Tender Offer will be at least two-thirds of the total number of voting rights of the Company. The minimum number has been set as described above because the Offeror intends to make the Company its wholly-owned subsidiary through the Transaction. If the Tender Offer is completed but the Offeror fails to acquire all of the Company's Stock and all of the Stock Acquisition Rights through the Tender Offer and the procedures for a consolidation of shares described in "(4) Policies on reorganization, etc. after the Tender Offer" below are implemented, a special resolution at a general meeting of shareholders as prescribed in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") will be required, and the Offeror intends to ensure that such requirement can be satisfied solely by the Offeror and STK (collectively, the "Offeror Parties").

(Note 5) According to the Offeror, the Stock Acquisition Rights are held only by Mr. Shimomura and Mr. Shiro Kokaji ("Mr. Kokaji"), the Representative Director, President and COO of the Company. The Offeror has not taken into account the number of shares in the Company's Stock underlying the Stock Acquisition Rights (total: 41,720 shares) in setting the minimum number of shares to be purchased, because: (i) as described in "(I) Tender Agreement" under "(6) Material agreements concerning the Tender Offer" below, under the Tender Agreement entered into between the Offeror and Mr. Shimomura, Mr. Shimomura has agreed not to exercise the Stock Acquisition Rights, not to tender the Stock Acquisition Rights in the Tender Offer, and to waive the Stock Acquisition Rights if the Tender Offer is completed; (ii) as described in "(II) Other matters" under "(6) Material agreements concerning the Tender Offer" below, the Offeror has confirmed with Mr. Kokaji that Mr. Kokaji intends not to exercise the Stock Acquisition Rights, not to tender the Stock Acquisition Rights in the Tender Offer, and to waive the Stock Acquisition Rights if the Tender Offer is completed; and (iii) as described in under "(III) Waiver, etc. of the Stock Acquisition Rights" under "(4) Policies on reorganization, etc. after the Tender Offer" below, if the Tender Offer is completed, the Offeror plans to request the Company to implement, or itself implement, the procedures reasonably necessary for the execution of the Transaction, such as the acquisition and cancellation of the Stock Acquisition Rights or the recommendation to the Stock Acquisition Right Holders to waive the Stock Acquisition Rights, and the Company intends to cooperate with such request upon receipt thereof.

According to the Offeror, if the Tender Offer is completed but the Offeror fails to acquire all of the Company's Stock and all of the Stock Acquisition Rights through the Tender Offer, the Offeror plans to implement, after the completion of the Tender Offer, a series of procedures to make the Offeror Parties the sole shareholders of the Company (the "Squeeze-out Procedures"). For an overview of the Squeeze-out Procedures, please refer to "(4) Policies on reorganization, etc. after the Tender Offer" below.

According to the Offeror, it plans to fund the purchase price required for the Transaction including the Tender Offer with its own funds and a loan of up to 32.5 billion yen from Sumitomo Mitsui Banking Corporation ("SMBC") (the "Bank Loan"), and plans to receive the Bank Loan, subject to the completion of the Tender Offer and other conditions, by the business day immediately preceding the commencement date of settlement of the Tender Offer. The details of the lending conditions of the Bank Loan will be separately discussed with SMBC and set forth in the loan agreement relating to the Bank Loan.

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

The Company was incorporated as Fuji Clinic Laboratory Co., Ltd. in Matsubara-shi, Osaka, Japan in August 1984 and commenced clinical examination subcontractor business. In February 2000, it changed its tradename to Ai Life

Co., Ltd. and entered long-term care business. The Company opened its first fee-based long-term care retirement home, "Charm Yamato Koriyama" in Yamato Koriyama-shi, Nara, in April 2005, and changed its tradename from Ai Life Co., Ltd.to Charm Care Corporation in December 2007 and remains the same as of today. The Company's Stock was listed on the JASDAQ of Osaka Exchange, Inc. (as at the relevant time) in April 2012, and then transferred to the TSE Second Section in March 2018, transferred to the First Section of TSE in December 2018, and subsequently, following the market restructuring by TSE in April 2022, transferred from the First Section of TSE to the Prime Market of TSE, where it is traded at present.

As of today, the group consisting of the Company and its 3 consolidated subsidiaries (the "Company Group") is primarily engaged in providing long-term care services covered by the Long-Term Care Insurance Act to elderly people who have been qualified as a condition of need for long-term care or a needed support condition under the Long-Term Care Insurance Act at fee-based retirement homes. Under its corporate philosophy of "senior living services at the core, respecting each customer's values and proposing attractive lifestyles tailored to each customer," the Company opened a fee-based long-term care retirement home (Daily Life Long-Term Care Admitted to a Specified Facility) in April 2005, and since then, has operated 119 homes and 8,025 rooms in the Kinki and Tokyo metropolitan areas (as of today). Going forward, the Company aims to continue to make the most of the skills and experience it has developed to date and keep demonstrating a spirit of challenge and creativity, thereby contributing to the creation of a "prosperous and fulfilling aging society" in which elderly people can live with a peace of mind.

The capital relationship between the Offeror and the Company began in May 2020 with the execution of the Business Alliance Agreement 2020 with the aim of strengthening cooperation in the aspects of both human resources and services, and of differentiating themselves from other companies by effectively leveraging each other's strengths and capital resources in their businesses, thereby enhancing the corporate value together; as well as acquisition by the Offeror of indirect ownership of the Company through acquisition of all of the issued shares in STK, which owned 9,600,000 shares of the Company's common stock (shareholding ratio: 29.33%), making the Company an equity-method affiliate of the Offeror. As agreed in the Business Alliance Agreement 2020, the Offeror and the Company have been working on, among others: (i) promoting occupancy (at services they offer) by approaching various customer segments (promoting the approach to diverse customer segments by area, target, and others); (ii) accelerating the opening of new facilities and expanding their scope through strengthening development structures and sharing property information (mutually utilizing facility development know-how, sharing and aligning property information including healthcare-related facilities); (iii) improving the recruitment and development of human resources including foreign personnel (securing stable recruitment channels through jointly accepting technical interns or other initiatives, and facilitating personnel interaction through mutual participation in education and training opportunities); and (iv) mutually promoting use of the products and services each party offers (mutually utilizing long-term care-related systems and data, and preferentially promoting the Offeror's major businesses). In addition, as of today, one person nominated by the Offeror (Mr. Nishikado, (as defined in "(i) Background of establishment" under "(I) Establishment by the Company of independent special committee and procurement of written report from the special committee" under "(3) Measures to ensure fairness of the Tender Offer" below)) serves as an outside director of the Company.

However, according to the Offeror, as long as the Company remains an equity-method affiliate of the Offeror, the items of the Company's financial statements, such as sales, profits, assets and liabilities, are not directly reflected in the corresponding items of the Offeror's financial statements, and only the portion of the Company's net income corresponding to the Offeror's equity interest in the Company's Stock is reflected in the Offeror's consolidated financial results. Accordingly, even if the Offeror invests management resources in the Company, it cannot enjoy the benefits of the enhanced corporate value of the Company commensurate with such investment (it can only enjoy the portion of the Company's net income corresponding to its equity interest in the Company Stock), and from the perspective of accountability to the Offeror's shareholders, it is difficult for the Offeror to make large-scale investments of management resources from a medium-to long-term perspective; thus, there are limitations in deepening the collaboration with the Company and enhancing corporate value in an integrated manner. In addition, from the perspective of the need to give consideration to the Company's general shareholders, there are unavoidably

certain restrictions on the mutual utilization of management resources and integrated and swift decision-making, and it has been difficult to fully pursue the maximization of synergies under the Business Alliance Agreement 2020.

According to the Offeror, under such circumstances, in early June 2026, the Offeror was approached by Mr. Shimomura regarding the sale of the Company's Stock held by him, which triggered discussions between the Offeror and Mr. Shimomura regarding the Company's capital policy, including the option of making the Company a wholly-owned subsidiary of the Offeror. The Offeror considered that, in order to achieve business growth while continuing to provide highly satisfactory solutions that meet all needs in the healthcare business domain, it is necessary to further strengthen the business collaboration between the group consisting of the Offeror, its 50 consolidated subsidiaries and five equity-method affiliates (the "Offeror Group") and the group consisting of the Company and its three consolidated subsidiaries (the "Company Group"), and around mid-July 2026, began considering making the Company a wholly-owned subsidiary of the Offeror.

According to the Offeror, it considers that, by further deepening the cooperative relationship between the Offeror and the Company through further promotion of the business alliance, the Offeror Group and the Company Group will be able to expand and streamline their businesses, and that synergies can be expected through the measures described in (i) through (iv) below.

(i) Accelerating New Facility Openings and Expanding Business Areas by Strengthening the Development Structure and Sharing Property Information

According to the Offeror, the Offeror Group operates and supports retirement homes (including fee-based long-term care retirement homes, group homes, small-scale multifunctional facilities, etc.; the same shall apply hereinafter) as its Life Care Business.

On the other hand, according to the Offeror, the Offeror considers that the Company Group, given its history of operating retirement homes as its nursing care business and conducting real estate development business mainly targeting healthcare properties, has one-stop capabilities and know-how covering everything from land acquisition to development and facility operation.

According to the Offeror, although the Offeror and the Company have been promoting their business alliance since the conclusion of the Business Alliance Agreement 2020, as the Company remains an equity-method affiliate and each company formulates its development policy and investment plans independently, there have been certain limitations on collaboration in sharing property information and considering development projects. After the Transaction, as a wholly-owned parent-subsidiary relationship will be formed between the Offeror and the Company, the Offeror will consider sharing more broadly the property information, expertise in facility development and networks with business partners, etc. held by the two companies, and building a structure for collaboration from the stage of formulating development policies and investment plans. The Offeror considers that this will enable an appropriate allocation of roles in development projects based on both companies' facilities portfolios, locations, price ranges, and other relevant factors, leading to the expansion of opportunities for new retirement home openings in both the Offeror Group and the Company Group through effective utilization of property information and more efficient project review.

In addition, according to the Offeror, the Offeror considers that incorporating the Company Group through the Tender Offer will increase the business scale of the Offeror Group including the Company Group and its market share in the retirement home industry, thereby improving its position in the industry, which will enable further business expansion of the retirement home business through M&A and other means.

(ii) Development of Services to Meet Diverse Customer Needs

According to the Offeror, the Offeror Group and the Company Group differ in terms of the locations, price ranges and characteristics of the retirement homes they operate, and the Offeror considers that the facility portfolios of both groups complement each other. After the Transaction, the Offeror will consider building a structure in which both groups share their respective facility information, expertise in occupancy consultation and sales and public relations know-how, and provide information on appropriate options in accordance with the preferences, levels of required nursing care, medical and nursing care needs, price ranges, desired areas, etc. of persons considering moving in. The

Offeror considers that this will contribute to promoting occupancy through enhanced capabilities to respond to occupancy consultations and strengthened customer touchpoints, leveraging the complementary nature of the two groups' facility portfolios.

(iii) Mutual Use of Products and Services and Sharing of Operational Know-how

According to the Offeror, the Offeror Group and the Company Group have already been working on, among others, the introduction of nursing care bathtubs and provision of meals by the Offeror Group at some of the Company Group's facilities. However, at present, such initiatives are limited to individual products and services and certain facilities. After the Transaction, the Offeror will individually consider the possibility of expanding the use of products and services that contribute to improving facility operations and service quality, taking into account the quality of services provided by the Company Group, existing business relationships, and economic rationality. In addition, the Offeror considers that sharing the practical know-how of the two groups in areas such as dispensing pharmacies, meal services, selection and maintenance of nursing care equipment, and operational efficiency of facility operations will contribute to both maintaining and improving service quality and enhancing operational efficiency.

(iv) Enhancing Recruitment Capabilities and Retention Rates by Sharing Recruitment and Training Platforms

According to the Offeror, after the Transaction, the Offeror will consider establishing a common group platform for recruitment, acceptance and development of human resources including foreign personnel, by utilizing the expertise and systems held by each of the Offeror Group and the Company Group with respect to recruitment channels, structures for accepting foreign personnel, and training and qualification acquisition support. The Offeror considers that this will expand recruitment channels and increase opportunities for human resource development, thereby contributing to strengthening recruitment capabilities and staff retention.

In addition, according to the Offeror, even if the Company becomes a wholly-owned subsidiary of the Offeror and ceases to be a listed company, the Offeror considers that the disadvantages to the Company will be limited, given that: (i) the Company will be able to utilize the Offeror's creditworthiness, and thus any adverse impact on its credibility with customers and business partners is expected to be extremely limited; (ii) the Company will be able to adopt the most efficient fund-raising method for both companies by leveraging the Offeror's creditworthiness and utilizing of the Offeror Group's funds, etc.; and (iii) in terms of recruitment, the Company will be able to continue to secure a foundation for recruiting talented human resources by utilizing the brand and platform of the Offeror Group.

According to the Offeror, it informed the Company on July 17, 2026 of its intention to commence discussions regarding the acquisition of 100% ownership of the Company and, at the same time, began considering the specific method and terms of the Tender Offer. On August 31, 2026, the Offeror provided the Company with an initial, non-binding letter (the "Letter of Intent") setting out, among other things, the purpose of the Tender Offer, its policy on involvement in the management after the Tender Offer, the scheme of the Tender Offer, and the framework of the terms of purchase.

According to the Offeror, in order to examine the Tender Offer aiming to acquire 100% ownership of the Company and consider the specific method for it, the Offeror, on August 28, 2026, appointed Daiwa Institute of Research Ltd. ("Daiwa Institute of Research") as an independent financial advisor and third-party valuator, and Yamashita Law as an independent legal advisor, both of which are independent of the Offeror and the Company to establish a structure to deliberate on the Tender Offer and discuss the Tender Offer with the Company.

According to the Offeror, it conducted due diligence to assess the feasibility of the Tender Offer from mid-September through mid-October 2026. The Offeror received from the Special Committee (as defined in "(i) Establishment of deliberation structure" under "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" below; the same applies hereinafter) on September 15 and 28, 2026, and the Offeror provided responses in writing on October 5, 2026 with regard to, among other things, the background to and purpose of the Tender Offer, its views on the Company's management challenges, the current status of its alliance with the Company, the impact of the Tender Offer on the Company's corporate value, its management policy after the Tender Offer (including its policy on holding of the Company' Stock, policy on the business operations,

treatment of the Company's personnel, and the governance structure), the advantages and disadvantages of the Tender Offer; and the scheme of the Tender Offer, and also on October 9, 2026, it was interviewed by the Company via the Special Committee and held a Q&A session regarding it.

According to the Offeror, it continued discussions and deliberation with the Company and the Special Committee regarding the Tender Offer Price and the Stock Acquisition Right Purchase Price in the Tender Offer. Specifically, the Offeror made an offer to the Company proposing the Tender Offer Price of 1,750 yen on October 14, 2026, taking into account Daiwa Institute of Research's estimation of the value of the Company's Stock and the movement of the market price of the Company's Stock (the closing price on the business day preceding the date of offer or the average of closing prices for the one-month, three-month and six-month periods ended that date). The price represented a premium of 23.41% (rounded to the second decimal place; the same applies hereinafter to calculation of premiums) over the closing price on the TSE Prime Market on the business day preceding the date of offer (i.e. October 13, 2026) (1,418 yen), a premium of 23.50% over the simple average of closing prices for the one-month period ended that date (1,417 yen (rounded to the nearest whole yen; the same applies hereinafter to simple averages of closing prices)); a premium of 25.27% over the simple average of closing prices for the three-month period ended that date (1,397 yen); and a premium of 29.34% over the simple average of closing prices for the six-month period ended that date (1,353 yen).

According to the Offeror, in response to the above, it was requested on October 15, 2026 by the Company as the conclusion in light of the Special Committee's opinion that the Offeror should increase the Tender Offer Price to a much higher price as the Tender Offer Price of 1,750 yen could never be deemed as taking into account the interests of the Company's general shareholders, and that the Offeror should propose the Stock Acquisition Right Purchase Price. In response, the Offeror proposed to the Company on October 19, 2026 (i) the Tender Offer Price of 1,850 yen, representing a premium of 32.43% over the closing price on the TSE Prime Market on the business day preceding the date of proposal (i.e. October 16, 2026) (1,397 yen), a premium of 31.02% over the simple average of closing prices for the one-month period ended that date (1,412 yen), a premium of 32.24% over the simple average of closing prices for the three-month period ended that date (1,399 yen), and a premium of 36.53% over the simple average of closing prices for the six-month period ended that date (1,355 yen); and (ii) the Stock Acquisition Right Purchase Price of 1 yen because all of the Stock Acquisition Rights were issued to the Company's directors as stock options and the conditions for exercising them require a Stock Acquisition Right Holder to exercise the rights within 10 days since the holder has ceased to hold the position as a director of the Company (if the 10th day falls on a holiday, then the following business day); accordingly, even if the Offeror acquired the Stock Acquisition Rights through the Tender Offer, it would not be able to exercise them.

According to the Offeror, in response to the above, it was requested again on October 22, 2026 by the Company as the conclusion in light of the Special Committee's opinion that the Offeror should increase the Tender Offer Price to a much higher price as the Tender Offer Price of 1,850 yen could still never be deemed as taking into account the interests of the Company's general shareholders. In response, the Offeror proposed to the Company on October 26, 2026 the Tender Offer Price of 1,910 yen. The price represented a premium of 37.91% over the closing price on the TSE Prime Market on the business day preceding the date of proposal (i.e. October 23, 2026) (1,385 yen), a premium of 36.14% over the simple average of closing prices for the one-month period ended that date (1,403 yen), a premium of 36.23% over the simple average of closing prices for the three-month period ended that date (1,402 yen), and a premium of 40.65% over the simple average of closing prices for the six-month period ended that date (1,358 yen).

According to the Offeror, in response to the above, it was requested on October 27, 2026 by the Company as the conclusion in light of the Special Committee's opinion that the Offeror should further increase the Tender Offer Price as the Tender Offer Price of 1,910 yen could still not be deemed as adequately taking into account the interests of the Company's general shareholders. In response, the Offeror proposed to the Company on October 29, 2026 the Tender Offer Price of 1,950 yen. The price represented a premium of 44.12% over the closing price on the TSE Prime Market on the business day preceding the date of proposal (i.e. October 28, 2026) (1,353 yen), a premium of 39.78% over the simple average of closing prices for the one-month period ended that date (1,395 yen), a premium of 39.09% over the simple average of closing prices for the three-month period ended that date (1,402 yen), and a premium of 43.38%

over the simple average of closing prices for the six-month period ended that date (1,360 yen).

According to the Offeror, in response to the above, it was strongly requested on October 30, 2026 by the Company as the conclusion in light of the Special Committee's opinion that the Offeror should increase the Tender Offer Price as the Tender Offer Price of 1,950 yen could still not be deemed as adequately taking into account the interests of the Company's general shareholders.

According to the Offeror, in response to the above, it proposed the Tender Offer Price of 1,950 yen to the Company again on November 2, 2026 on the grounds such as the Offeror believed that the price of 1,950 yen could provide opportunities to sufficiently compensate the general shareholders of the Company. The price represented a premium of 42.54% over the closing price on the TSE Prime Market on the business day preceding the date of proposal (i.e. October 30, 2026) (1,368 yen), a premium of 40.29% over the simple average of closing prices for the one-month period ended that date (1,390 yen), a premium of 39.09% over the simple average of closing prices for the three-month period ended that date (1,402 yen), and a premium of 43.28% over the simple average of closing prices for the six-month period ended that date (1,361 yen).

According to the Offeror, in response to the above, it was strongly requested on November 4, 2026 by the Company that the Offeror should increase the Tender Offer Price in view of the intrinsic value of the Company and fair distribution of the effect of the improvement of the corporate value of the Company expected from the Transaction, since the Company reached a conclusion again in light of the Special Committee's opinion that the Tender Offer Price of 1,950 yen could still not be deemed as adequately taking into account the interests of the Company's general shareholders.

According to the Offeror, in response to the above, it proposed the Tender Offer Price of 1,970 yen to the Company on November 4, 2026, informing the Company that the Offeror considered the price to be at the level adequately recognizing the value of the Company's Stock and any price above it might make it difficult to implement the Transaction. The price represented a premium of 45.60% over the closing price on the TSE Prime Market on the business day preceding the date of proposal (i.e. November 2, 2026) (1,353 yen), a premium of 41.93% over the simple average of closing prices for the one-month period ended that date (1,388 yen), a premium of 40.51% over the simple average of closing prices for the three-month period ended that date (1,402 yen), and a premium of 44.64% over the simple average of closing prices for the six-month period ended that date (1,362 yen).

According to the Offeror, in response to the above, it received a request from the Company on November 5, 2026 for a further increase in the Tender Offer Price as the Company needed to respect the interests of its general shareholders to the greatest extent possible as the conclusion in light of the Special Committee's opinion.

According to the Offeror, in response to the above, it informed the Company on November 5, 2026 that the Tender Offer Price of 1,970 yen that the Offeror proposed on November 4 recognized the value of the Company's Stock to the maximum extent, and although the price of 1,950 yen proposed on October 29 and November 2, 2026 was also presented as the price that the Offeror believed could provide opportunities to sufficiently compensate the general shareholders of the Company, the Offeror, in response to the request from the Company, presented 1,970 yen as the maximum offer; and accordingly if any price above it is expected, it might make it difficult to close the Transaction. The price represented a premium of 44.85% over the closing price on the TSE Prime Market on the business day preceding the date of proposal (i.e. November 4, 2026) (1,360 yen), a premium of 42.03% over the simple average of closing prices for the one-month period ended that date (1,387 yen), a premium of 40.41% over the simple average of closing prices for the three-month period ended that date (1,403 yen), and a premium of 44.64% over the simple average of closing prices for the six-month period ended that date (1,362 yen).

According to the Offeror, in response to the above, on November 6, 2026 it received a notice from the Company that the Company provisionally accepted the Tender Offer Price of 1,970 yen subject to the final decision being made by a resolution at the board meeting of the Company to be held today.

According to the Offeror, in the meantime, it commenced discussions with Mr. Shimomura towards the execution of the Tender Agreement in early October 2026. Specifically, the Offeror was informed by Mr. Shimomura on October 14, 2026 of his intention to agree to enter into the Tender Agreement. Thereafter, the Offeror and Mr. Shimomura had several discussions and given that they agreed upon the terms and conditions of the Tender Agreement today,

including Mr. Shimomura to tender his shares in the Tender Offer with the Tender Offer Price provisionally accepted by the Company on the same day, they entered into the Tender Agreement on the same day. For the summary of the Tender Agreement, see "(I) Tender Agreement" under "(6) Material agreements concerning the Tender Offer" below.

According to the Offeror, following the above process, it decided today, 2026 to implement the Tender Offer with the Tender Offer Price of 1,970 yen and the Stock Acquisition Right Purchase Price of 1 yen.

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

(i) Establishment of deliberation structure

As described in "(II) Background, purposes, and decision-making process leading to implementation of the Tender Offer by the Offeror" above, the Company received from the Offeror a request for commencement of discussion on acquisition of 100% ownership of the Company on July 17, 2026 and responded that it would commence preliminary consideration of such discussion, and thereafter received the Letter of Intent from the Offeror on August 31, 2026. In response to this, in order to prepare for commencing detailed discussion and deliberation toward the implementation of the Tender Offer, the Company, on September 3, 2026, appointed Nomura Securities Co., Ltd. ("Nomura Securities") as an independent financial advisor and third-party valuator, and Anderson Mori & Tomotsune ("AMT") as an independent legal advisor, both of which are independent of the Company, the Offeror and Mr. Shimomura (the "Tender Offer-related Parties"), and the outcome of the Transaction.

Moreover, given that the Offeror is the wholly-owning parent company of STK, which is other associated company of the Company which owns 9,600,000 shares of the Company's common stock (shareholding ratio: 29.33%), the Company commenced to establish a structure to deliberate, negotiate, and decide on the Transaction independently of the Tender Offer-related Parties and the outcome of the Transaction, in consideration of the advice given by AMT, to ensure careful decision-making on the Transaction, eliminate arbitrariness and potential conflicts of interest in the decision-making process of the Company's board of directors, and ensure its fairness.

Specifically, by a resolution at the meeting the board of directors of the Company held on September 3, 2026, the Company decided to establish a special committee independent of both the Tender Offer-related Parties and the outcome of the Transaction (the "Special Committee"). The Special Committee consisted of the following four members: Mr. Toshiro Kosaka, an independent outside Audit & Supervisory Board Member of the Company; Mr. Tomokazu Yamazawa and Ms. Kimiko Tanaka, Company's independent outside directors; and Mr. Yukihiko Koshimoto (an attorney-at-law of MIDOSUJI LPC) as an external expert, in order to constitute the Special Committee with an appropriate size while ensuring the balance between knowledge, experience, and capabilities as a whole (for details, please see "(i) Background of establishment" under "(I) Establishment by the Company of independent special committee and procurement of written report from the special committee" under "(3) Measures to ensure fairness of the Tender Offer" below).

Furthermore, as described in "(ii) Background of consideration and content of determination" under "(I) Establishment by the Company of independent special committee and procurement of written report from the special committee" under "(3) Measures to ensure fairness of the Tender Offer" below, At the meeting held on September 9, 2026, the Special Committee confirmed that there were no issues regarding the independence and expertise of Nomura Securities, the Company's financial advisor and third-party valuator, and AMT, the Company's legal advisor, and approved their appointments as the Company's advisors. In addition, as described in "(ii) Background of consideration and content of determination" under "(I) Establishment by the Company of independent special committee and procurement of written report from the special committee" under "(3) Measures to ensure fairness of the Tender Offer" below, the Special Committee confirmed that there were no issues regarding the deliberation structure for the Transaction that the Company internally established (including the scope and duties of the Company's officers and employees involved in deliberation, negotiation and decision for the Transaction) in terms of the independence from the Tender Offer-related Parties except for the Company, and the outcome of the Transaction.

(ii) Background to deliberation and negotiations

Under the structure described above, the Company obtained advice on policies for negotiation with the Offeror and

other advice from a financial perspective from Nomura Securities as well as advice on measures to ensure the fairness of the process in the Transaction and other legal advice from AMT. In consideration of such advice, the Company, giving utmost respect to the negotiation policy and the opinions, directions, and requests regarding materially important negotiation matters pre-confirmed by the Special Committee, has carefully discussed and deliberated on whether to proceed with, and the reasonableness of the terms and conditions (including the Tender Offer Price) of, the Transaction. The Special Committee has continuously discussed and negotiated on the Transaction with the Offeror.

The Special Committee was informed by the Company of its business description, business environment and management challenges, the current status of its alliance with the Offeror, and the Company's view regarding the advantages and disadvantages of the Tender Offer. In addition, on September 15, 2026 and September 28, 2026, the Special Committee sent to the Offeror questions regarding, among others, the background and purpose of the Tender Offer, its understanding of the Company's management challenges, the current status of its alliance with the Company, the impact of the Tender Offer on the Company's corporate value, management policy after the Tender Offer (including policy on shareholding in the Company, business operation policy, treatment of the Company's officers and employees, and governance structure), the advantages and disadvantages of the Tender Offer, and the scheme of the Tender Offer. The Special Committee received responses in writing on October 5, 2026 and held a Q&A session on October 9, 2026. In addition, the Special Committee received explanations on the preparation process and the contents of the business plan for the 3 fiscal years from the fiscal year ending June 2027 through the fiscal year ending June 2029 (the "Business Plan"), and confirmed that the contents, material assumptions, and preparation process of the Business Plan were reasonable.

Then, regarding the Tender Offer Price, the Company has held several rounds of negotiation with the Offeror since October 14, 2026. In particular, the Company received from the Offeror on October 14, 2026 a letter of offer proposing the Tender Offer Price of 1,750 yen (which represented a premium of 23.41% over 1,418 yen being the closing price of the Company's Stock on the TSE Prime Market on October 13, 2026, the business day preceding the date of offer) subject to the Company not paying any interim and year-end dividends for the fiscal year ending June 2027, and any dividends thereafter. However, the Company requested on October 15, 2026 that the Offeror should increase the proposed price to a much higher price since the proposed price could never be deemed as taking into account the interests of the Company's general shareholders.

Then, the Company received on October 19, 2026 a letter of offer proposing (i) the Tender Offer Price of 1,850 yen (which represented a premium of 32.43% over 1,397 yen being the closing price of the Company's Stock on the TSE Prime Market on October 16, 2026, the business day preceding the date of offer) ; and (ii) the Stock Acquisition Right Purchase Price of 1 yen for each Stock Acquisition Right, on the grounds that all of the Stock Acquisition Rights had been issued to directors of the Company as stock options and could be exercised only within 10 days after the holder ceased to hold a position as a director of the Company (or, if the tenth day fell on a holiday, by the next business day), and therefore could not be exercised by the Offeror even if acquired through the Tender Offer. However, the Company requested on October 22, 2026 that the Offeror should increase the proposed price to a much higher price since the proposed price could never be deemed as taking into account the interests of the Company's general shareholders.

Then, the Company received on October 26, 2026 a letter of offer proposing the Tender Offer Price of 1,910 yen (which represented a premium of 37.91% over 1,385 yen being the closing price of the Company's Stock on the TSE Prime Market on October 23, 2026, the business day preceding the date of offer). However, the Company requested on October 27, 2026 that the Offeror should further increase the proposed price since the proposed price could still not be deemed as adequately taking into account the interests of the Company's general shareholders.

Then, the Company received from the Offeror on October 29, 2026 a letter of offer proposing the Tender Offer Price of 1,950 yen (which represented a premium of 44.12% over 1,353 yen being the closing price of the Company's Stock on the TSE Prime Market on October 28, 2026, the business day preceding the date of offer). However, the Company strongly requested on October 30,2026 that the Offeror should increase the tender offer price since the proposed price could still not be deemed as adequately taking into account the interests of the Company's general shareholders.

Thereafter, the Company received an offer from the Offeror to keep the Tender Offer Price at 1,950 yen (which represented a premium of 42.54% over 1,368 yen being the closing price of the Company's Stock on the TSE Prime Market on October 30, 2026, the business day preceding the date of offer) as the Offeror believed that the price of 1,950 yen could provide opportunities to sufficiently compensate the general shareholders of the Company. However, the Company strongly requested again on November 4, 2026 that the Offeror should increase the tender offer price in view of the intrinsic value of the Company and fair distribution of the effect of the improvement of the corporate value of the Company expected from the Transaction since the proposed price could still not be deemed as adequately taking into account the interests of the Company's general shareholders.

Thereafter the Company received from the Offeror on November 4, 2026 a letter of offer proposing the Tender Offer Price of 1,970 yen (which represented a premium of 45.60% over 1,353 yen being the closing price of the Company's Stock on the TSE Prime Market on November 2, 2026, the business day preceding the date of offer) and informing that the Offeror considered the price to be at the level adequately recognizing the value of the Company's Stock and any transaction terms above such price might make it difficult to implement the Transaction. However, the Company considered it appropriate to request a further increase in the Tender Offer Price from the perspective of respecting the interests of the general shareholders to the greatest extent possible and accordingly requested on November 5, 2026 that the Offeror should increase the tender offer price.

Then, the Company received an offer from the Offeror on November 5, 2026 as the final offer proposing to keep the Tender Offer Price at 1,970 yen (which represented a premium of 44.85% over 1,360 yen being the closing price of the Company's Stock on the TSE Prime Market on November 4, 2026, the business day preceding the date of offer) and informing that the price of 1,970 yen that the Offeror offered in response to the request from the Company and the Special Committee as the result of the Offeror's valuation of the Company's Stock to the maximum extent and if any price above it is expected, it might make it difficult to close the Transaction.

In response to the above, the Company notified the Offeror that the Company would provisionally accept the Tender Offer Price of 1,970 yen subject to the final decision being made by a resolution at the board meeting of the Company to be held today.

(iii) Content of determination

In light of the foregoing circumstances, at the board of directors meeting held today, the Company, having taken into account the content of the share valuation report acquired from Nomura Securities as of November 5, 2026 (the "Share Valuation Report") and the legal advice obtained from AMT, and while giving the utmost respect to the deliberation of the Special Committee and the content of the report submitted by the Special Committee (the "Report"), carefully discussed and deliberated from the perspective of whether the Company's corporate value might be enhanced by the Transaction, and whether all the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable.

As a result, by taking advantage of the following possible advantages that may be generated from becoming a wholly owned subsidiary of the Offeror, the Company has concluded, after the implementation of the Transaction, that the Transaction will contribute to the realization of the further sustainable growth of the Company Group as a whole and the enhancement of the Company's corporate value.

(a) Securing and retention of nursing care workers

In the industry of nursing care to which the Company belongs, the jobs to applications ratio for nursing care jobs remains at a high level that substantially exceeds the average for all job types, and a shortage of the number of nursing care workers associated with a decline in the population of productive ages is believed to continue to accelerate.

Under such environment of the industry, the Company introduced the selective four-day work week system in July, 2024, as one of the measures for the foregoing issue, and approximately 70% of the Company's nursing care workers have selected the relevant system to date. Through such action, the Company achieved results that went beyond its anticipation in its recruiting activity conducted in April, 2026 and in April, 2027.

However, in order to deal with a worsening decline in the population of productive age, the Company believes it necessary to consider actions that shall go beyond individual efforts.

Specifically, after the Transaction, strengthening of the Company's capability of recruitment is believed to be expected by utilizing the company size or credibility or broad network of recruitment of the Offeror Group. In addition to the coordination in a recruitment activity for domestic and international nursing care workers or development of human resources, promotion of sharing of know-how for education and training within the Group and people-to-people exchange are believed to enable the Company to seek enhancement of its employees' expertise and expansion of opportunities for their career development. Through such actions, the Company shall seek stable securing of nursing care workers and improvement of the rate of retention, thereby strengthening the foundation of human resources who support a sustainable growth of the Company's business.

(b) Promotion of new establishment of retirement homes

By combining the know-how cultivated by the Company for new establishment of fee-based retirement homes providing nursing care services and a wealth of past records or development network relating to new establishment and transferring of medical institutions held by the Offeror Group, an expansion of opportunities for establishment of new retirement homes is believed to be expected. Particularly, the Company believes that sharing and utilization of information on the development of medical institutions held by the Offeror Group or information on promising lands and properties shall contribute to securing superior sites for establishment or creating development cases. In addition, an expansion of the know-how for the dominant expansion cultivated by the Company, mainly in the area around Tokyo and the Kinki region into other regions where the Offeror has its business foundation shall enable the Company to advance into new areas and to promote efficient expansion of its business, and the Company's growth strategy is believed to expect to continue to accelerate.

(c) Maintaining and increasing occupancy ratio

By utilizing a broad network of medical institutions held by the Offeror Group and seeking to enhance awareness of the Company's retirement homes to elderly people who need residence to live in after being discharged from hospitals and their families, an increase in opportunities for introducing residence is believed to be expected and a maintenance of and increase in a stable occupancy ratio is also believed to be expected. In addition, taking advantage of expertise and network in the medical field held by the Offeror Group and strengthening the coordination system with medical institutions is believed to enable a promotion of providing a safe and secure life environment and high-quality services to residents. Particularly, in the Company's luxury brand, by increasing the service value through enhancement of medical coordination and differentiating the Company from other companies, a further enhancement of the competitiveness and brand value of the Company's retirement homes is believed to be expected.

(d) Mutual use of provided products and services

By utilizing the procurement network for medical and nursing care related equipment or the business of meal services held by the Offeror Group, the Company may benefit from economies of scale through joint procurement of equipment, consumables or devices, etc. or mutual use of meal services, by which the operation cost of the Company's retirement homes is believed to be reduced. In addition, with respect to the work efficiency by utilizing AI and ICT or the DX policy in sites where nursing cares are provided which the Company has taken a leading role in addressing, promotion of sharing of know-how with the Offeror Group or mutual use of systems is believed to enable the Company to seek a further sophistication and efficiency. Through such actions, reduction of burden of operations or optimization of personnel distribution shall be promoted while the quality of nursing care services is maintained and enhanced, and a further enhancement of the profitability and efficiency of operation of the Company is believed to be expected.

Generally, the disadvantages associated with privatizing a company's stock include the loss of access to capital markets for equity finance and the possibility that securing competent human resources and expansion of business partners by enhancing social credibility associated with being a listed company and name recognition shall be affected. However, taking into consideration the current financial condition of the Company, the Company does not expect a necessity of equity finance for the time being, deems it possible to secure finance through cash flows arisen from the business and borrowings from financial institutions, and believes that securing competent human resources and expansion of business partners by enhancing social credibility associated with being a listed company and name recognition are achieved mostly through the business activities and that the Company has acquired, through the business activities it has engaged in, a credibility and name recognition from clients, business partners, financial institutions and employees. Therefore, the Company believes that delisting of the Company's Stock will have limited effects. In addition, taking into consideration an increase in the cost to keep the Company's Stock listed, the necessity of the Company's Stock to remain listed is relatively decreasing. Therefore, the Company has also come to believe that the advantages associated with privatizing the Company's Stock outweigh the disadvantages associated therewith. Furthermore, the Company has a certain number of shareholders who have business relationships with the Company. However, because no agreements assuming capital relationships with the Company and each business partner are executed, the Company does not consider that the loss of the relevant capital relationships after the consummation of the Transaction will adversely affect its existing business relationships.

On the other hand, the Company has determined that the terms and conditions relating to the Transaction including the Tender Offer Price are appropriate and that the Tender Offer shall provide the general shareholders of the Company with reasonable opportunities to sell their shares, due to the following reasons:

(i) The Tender Offer Price is the price that has been continuously negotiated by the Company and the Offeror in good faith from the perspective of ensuring the Company's intrinsic value and interests of general shareholders under a substantial involvement of the Special Committee, upon thorough measures to ensure fairness of the terms and conditions of the Transaction, including the Tender Offer Price, as described in "(3) Measures to ensure fairness of the Tender Offer" below being taken, and measures being deemed to be taken for general shareholders of the Company. In addition, the Tender Offer Price has been raised by 220 yen from 1,750 yen that is the initial proposed price to 1,970 yen (12.57% (rounded to two decimal places));

(ii) As described in "(III) Procurement by the Company of share valuation report from independent financial advisor and third-party valuator" under "(3) Measures to ensure fairness of the Tender Offer" below, with respect to the results of the valuation of the Company's Stock by Nomura Securities in the Share Valuation Report, the Tender Offer Price has been assessed to be within the reasonable scope in connection with the result of calculation of the share value in the Share Valuation Report, considering that the Tender Offer Price exceeds the upper limit of both the result of calculation using the average market share price method, and the result of calculation using the comparable company method, and furthermore, is within the scope of the result of calculation using the Discounted Cash Flow method (the "DCF Method").

(iii) The Tender Offer Price is the price obtained by adding a 36.33 % premium to the closing price of 1,445 yen of the Company's Stock on the TSE Prime Market on November 5, 2026 which is the business day immediately preceding the announcement date of the Tender Offer, a 41.73 % premium to the simple average closing price of 1,390 yen for the past 1 month up to such date, a 40.21 % premium to the simple average closing price of 1,405 yen for the past 3 months up to such date, and a 44.64 % premium to the simple average closing price of 1,362 yen for the past 6 months up to such date, respectively. Among tender offers of other companies' shares targeting domestic listed companies, which have been published on or after January 1, 2022 and have been due for settlement by November 4, 2026, in comparison with the level of premium in 25

relevant tender offers that are similar to the Transaction (cases that aim to make private a target company which is an equity-method affiliate of an acquirer or a parent company of an acquirer prior to commencement of tender offers; however, excluding cases where a target company does not resolute to recommend to tender shares in a tender offer at its announcement (the "Similar Cases"))(note), the level of premium in the Tender Offer Price is lower than the premium levels observed in the Similar Cases for each of the relevant periods. However, considering in an integrated manner, together with the background of negotiation and the result of calculation of share value stated in (i) and (ii) above, that (I)if the Similar Cases are scrutinized individually, the level of premium to the closing price on the business day immediately preceding the announcement date of the Tender Offer and the level of premium to the simple average closing price for the past 1 month up to such date, the level of premium to the simple average closing price for the past 3 months up to such date and the level of premium to the simple average closing price for the past 6 months up to such date respectively include 5, 6, 6 and 10 cases that go below the level of premium corresponding to the Tender Offer Price, and (II)the Tender Offer Price is at the level that exceeds 1,906 yen that is the all-time high of the Company's Stock as of November 5, 2026 (October 15, 2021) that is the business day immediately preceding the announcement date for the implementation of the Tender Offer by 3.36 %, and that to the general shareholders, opportunities to sell their Company's Stock at the price that exceeds the past market price are provided, it is recognized that the premium of the Tender Offer Price is at a reasonable level.
(Note) With respect to the Similar Cases, the average price and medium price of a premium calculated by regarding the business day immediately preceding the announcement date, and in the case of the Similar Cases about which a speculative report is made, the business day immediately preceding the aforementioned business day as the reference date is a 53.27 % and 48.15 % premium to the closing price on such date respectively, a 53.51 % and 48.08 % premium to the simple average closing price for the past 1 month up to such date respectively, a 53.26 % and 50.00 % premium to the simple average closing price for the past 3 months up to such date respectively, and a 53.11 % and 52.91 % premium to the simple average closing price for the past 6 months up to such date respectively.

(iv) As described in "(I) Establishment by the Company of independent special committee and procurement of written report from the special committee" under "(3) Measures to ensure fairness of the Tender Offer" below, with respect to the Tender Offer Price, the opinion is expressed in the Report submitted by the Special Committee to the effect that the terms and conditions of the Transaction are fair and reasonable.

(v) With respect to a period of purchase in the Tender Offer (the "Tender Offer Period"), by setting the Tender Offer Period to be 30 business days, which is longer than the statutory minimum of 20 business days, opportunities for the Company's shareholders to make reasonable decisions regarding tendering their shares to the Tender Offer and opportunities for persons other than the Offeror to tender the Company's Stock are deemed to be secured.

(vi) In the Transaction, because the Demand for Shares, etc. Cash-out (defined in "(4) Policies on reorganization, etc. after the Tender Offer" below; the same applies hereinafter.) or the cash consideration to be delivered to shareholders as a consideration upon the Share Consolidation (defined in "(4) Policies on reorganization, etc. after the Tender Offer" below; the same applies hereinafter.), is expected to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Company's Stock held by each shareholder (excluding the Company and the Offerors), opportunities for general shareholders to make reasonable decisions regarding whether they tender their shares to the Tender Offer have been secured, and measures have been taken to ensure that a pressure effect shall not arise due to the foregoing.

For the foregoing reasons, the Company, at its board of directors meeting held today, determined that the terms and conditions relating to the Transaction including the Tender Offer Price was appropriate and resolved

to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer and leave to the Stock Acquisition Right Holders the decision on whether or not to tender their Stock Acquisition Rights in the Tender Offer for the reason that the Stock Acquisition Right Purchase Price is set at 1 yen.

(IV) Policies on management after the Tender Offer

The Offeror continued consultations with the Company and the Special Committee with respect to the management policy after the Transaction and generated the synergy of the Transaction stated in "(II) Background, purposes, and decision-making process leading to implementation of the Tender Offer by the Offeror" above. In order to maximize the medium and long-term corporate value of both companies, the Offeror respects the current management system and operation system of businesses of the Company and perceives it material to sufficiently respect the autonomy of operation of businesses and continuation of field operation.

On the other hand, with respect to an organizational structure, management system and other changes that become necessary associated with the making-a wholly owned subsidiary and delisting of the Company, the Offeror shall sufficiently consult with the management of the Company to make its decision. Officers and employees of the Company shall be, in principle, continuously employed after the Transaction, and the Offeror assumes that no adverse changes in terms and conditions of employment and treatment will be immediately made at least for the reason of the Transaction. With respect to dispatching officers by the Offeror, the Offeror assumes to make its decision upon consultation with the Company, within the scope necessary for securing governance as a listed company group and promotion of coordination between both companies, while considering the autonomy of operation of businesses of the Company.

In addition, the Offeror aims to make the Company its wholly owned subsidiary. However, as explained in "(I) Overview of tender offer" above and "(4) Policies on reorganization, etc. after the Tender Offer" below, if the Offeror is not able to acquire all of the Company's Stock and the Stock Acquisition Rights, the Offeror is expected to implement the Share Consolidation or the Demand for Shares, etc. Cash-out, with respect to the Company's Stock, as a series of the Squeeze-Out Procedures, after consummation of the Tender Offer, and to request to carry out procedures reasonably necessary for the implementation of the Transaction, including a recommendation to waive the Stock Acquisition Rights.

(3) Measures to ensure fairness of the Tender Offer

As of today, because the Offeror falls under a parent company of other associated companies of the Company, considering that the "Compliance Requirements Relating to MBOs (Note), etc." specified in Article 441 of the Securities Listing Regulations of the Tokyo Stock Exchange is applied to the Tender Offer and that there is the likelihood of existence of an issue of structural conflicts of interest, the Company and the Offeror have respectively taken the following measures to ensure fairness of the Transaction, including the Tender Offer, from the perspective of ensuring fairness of the Tender Offer Price, eliminating arbitrariness in decision-making process leading to the decision to implement the Tender Offer and avoiding conflicts of interest.

In addition, as explained in "(I) Overview of tender offer" under "(2) Grounds and reasons for the opinion" above, as of the present date, the Offeror and Mr. Shimomura directly or indirectly own 14,947,710 Compmany's Stock in total (including 33,600 shares with restriction on transfer owned by Mr. Shimomura as of the present date and 34,110 Company's Stock to be the purpose of 1,740 Company's Stock Acquisition Rights)(the ownership ratio: 45.66%). Therefore, the establishment of a lower limit of the number of shares to be purchased equivalent to "Majority of Minority" in the Tender Offer shall make consummation of the Tender Offer unsure and may not contribute to interests of all general shareholders who desire to tender their share in the Tender Offer. In the Tender Offer, a lower limit of the number of shares to be purchased equivalent to "Majority of Minority" has not been established. However, the measures through (I) through (VIII) below are taken by the Offeror and the Company. Accordingly, sufficient measures are deemed to be taken for interests of general shareholders of the Company.

Furthermore, the descriptions below regarding the measures taken by the Offeror are based on the explanations

provided by the Offeror.

(Note) "Management buyout (MBO)" means a tender offer in which an acquirer is an officer of the target company (including a tender offer in which an acquirer is a person who makes a tender offer upon a request from an officer of the target company and has common interests with such officer).

(I) Establishment by the Company of independent special committee and procurement of written report from the special committee

(i) Background of establishment

By a resolution of the Company's board of directors held on September 3, 2026, for the purpose of carefully making decisions regarding the Transaction, eliminating arbitrariness and the likelihood of conflicts of interest in the decision-making process at the Company's board of directors and securing fairness thereof, and in order to form a special committee of an appropriate size to ensure a balanced mix of knowledge, experience, and capabilities on the whole, the Company has formed the Special Committee consisting of Mr. Toshiro Kosaka, the Company's Independent Outside Audit, Mr. Tomokazu Yamazawa and Ms. Kimiko Tanaka, the Company's Independent Outside Directors, and Mr. Yukihiko Koshimoto as an outsider expert from the perspective of supplementing expertise in M&A (Attorney-at-Law of MIDOSUJI LPC), which is independent of the Tender Offer-related Parties and the success or failure of the Transaction.

Among the committee members of the Special Committee, Mr. Yukihiko Koshimoto is not an officer of the Company. However, considering knowledge, experience and capability of the Company's Independent Outside Directors and the Company's Independent Outside Audit, in order to supplement legal knowledge, after AMT's introduction of several candidates, the Company has requested the relevant person to become a committee member of the Special Committee as an outsider expert for the reason that the person has engaged in a job duty concerning M&A transactions including those similar to the Transaction over the years, and has a wealth of experience and knowledge as an expert cultivated through such career.

Furthermore, Mr. Kenji Nishikado, the Company's Independent Outside Director ("Mr. Nishikado") has not been elected as a committee member of the Special Committee from the perspective of avoiding the likelihood of conflict of interest, considering that the person used to belong to the Offeror and concurrently serves as a director of the company that belongs to the Offeror Group. In addition, the Special Committee has appointed Mr. Toshiro Kosaka as the chairperson of the Special Committee by mutual vote. For a remuneration of members of the Special Committee, they will be paid a fixed amount, regardless of the success or failure of the Tender Offer.

Based on this, the Company's board of directors, upon the determination of the establishment of the Special Committee, consulted with the Special Committee on the following matters (collectively, the "Consultation Matters"), and requested the Special Committee to submit a report on the Consultation Matters to the Company.

(a) Whether the purpose of the Transaction is reasonable (including whether the Transaction will contribute to the enhancement of the Company's corporate value);
(b) Whether fairness of the terms and conditions relating to the Transaction (including a method of the Transaction or a level and type of consideration) are ensured;
(c) In the Transaction, whether adequate measures are taken for interests of shareholders of the Company through fair procedures;
(d) Taking into consideration (a) through (c) above, whether the Transaction is deemed to be fair for general shareholders of the Company; and
(e) Whether the Company's board of directors expresses an opinion in favor of the Tender Offer and to the shareholders of the Company, recommends that they tender their shares to the Tender Offer.

Furthermore, the Company, at the foregoing board of directors, determined that a decision making in the Company's board of directors regarding the Tender Offer shall give the utmost respect to the content of determination of the Special Committee, and particularly if the Special Committee determines that the terms and conditions regarding the Transaction are not reasonable, the Company's board of directors shall not agree with the Transaction under the relevant terms and conditions and shall grant to the Special Committee (a)the authority to appoint or approve

(including subsequent approvals) experts such as the financial advisor, third-party valuator, and legal advisor of the Company (the "Advisors, etc."), (b)upon deliberating the foregoing matters, the authority to appoint its own Advisors, etc. if the Special Committee deems it necessary (the Special Committee is authorized to seek expert advice from the Company's Advisors, etc. if the Special Committee deems that it may rely on the Company's Advisors, etc. for their expert advice, for the reasons that the Company's Advisors, etc. have high level of expertise and there is no issue with their independence. In addition, reasonable expenses relating to expert advice from the Advisors, etc. of the Special Committee shall be borne by the Company.), (c)the authority to receive from the Company's officers and employees and other persons deemed necessary by the Special Committee any information necessary for the deliberation and determination of the Transaction, and (d)by confirming in advance the policy with respect to negotiations concerning the terms and conditions of the Transaction, receiving timely reports on the status of such negotiations, expressing opinions in material situations, and issuing directions or requests, the authority to substantially involve with the negotiation process regarding the terms and conditions of the Transaction and to conduct direct negotiations itself as necessary.

(ii) Background of consideration and content of determination

The Special Committee held a total of 15 meetings during the period from September 9, 2026 to November 6, 2026. In addition, other than in the relevant meetings, the members of the Special Committee made reports and shared information via email and other means to carefully discuss and deliberate the Consultation Matters.

Specifically, the Special Committee, at the special committee held on September 9, 2026, approved the appointment of Nomura Securities, the Company's financial advisor and third-party valuator, and AMT, the Company's legal advisor, respectively as the Company's advisors, after confirming that there is no issue with their independence and expertise. In addition, the Company has established an internal framework for deliberation, negotiation and determination relating to the Transaction from the aspect that is independent of the Tender Offer-related Parties excluding the Company, and the Special Committee confirmed that there is no issue with the deliberation structure of the Transaction established by the Company (including the scope and job of the Company's officers and employees involved in the deliberation, negotiation, and determination of the Transaction) from the perspective of independence of the Tender Offer-related Parties excluding the Company and the success or failure of the Transaction.

Subsequently, the Special Committee confirmed the opinion of the Company regarding the management environment and management challenge of the Company, the current circumstance of the alignment relationship with the Offeror, the advantages and disadvantages of the Transaction for the Company. In addition, the Special Committee provided the Offeror with a Q&A session in form of interviews and in writing regarding the background and purpose of the Transaction, the content of the scheme of the Transaction, and the management of the business after the Transaction. Furthermore, the Special Committee received from the Company explanations regarding the background of preparation and content of the Business Plan, and confirmed the reasonableness of the content, conditions precedent and background of preparation of the Business Plan.

The Special Committee carefully deliberated and discussed on the Consultation Matters, and as a result, submitted to the Company's board of directors the Report stated in Exhibit 1 regarding the Consultation Matters unanimously approved by all committee members today. For the details of the Report including the reasons for the report of the Special Committee, please refer to Exhibit 1.

(II) Procurement by the Offeror of share valuation report from independent financial advisor and third-party valuator

(i) Name of valuator and its relationship with the Company and the Offeror

According to the Offeror, in order to ensure the fairness of the Tender Offer Price, the Offeror, in determining the Tender Offer Price, requested Daiwa Institute of Research, its financial advisor, to calculate the value of the Company's Stock as a third-party valuator independent of the Offeror and the Company. According to the Offeror, Daiwa Institute of Research is not a related party of the Offeror or the Company and does not have any material interest in the Tender Offer. In addition, according to the Offeror, the Offeror has not obtained from Daiwa Institute

of Research an opinion on the fairness of the Tender Offer Price (fairness opinion), as the Offeror considers that sufficient consideration has been given to the interests of the Company's general shareholders by implementing the measures described in this section, "(3) Measures to ensure fairness of the Tender Offer."

(ii) Overview of valuation

a. Company's Stock

According to the Offeror, after examining the Company's financial condition, the trends in the market price of the Company's Stock and other factors, Daiwa Institute of Research considered it appropriate to evaluate the share value from multiple perspectives, and after considering which calculation methods to adopt among multiple share valuation methods, calculated the value of the Company's Stock using the market price method, the comparable companies method and the DCF Method, and the Offeror obtained from Daiwa Institute of Research the share valuation report of the Company's Stock, dated November 5, 2026 (the "Offeror's Share Valuation Report") (Note).

The Company is informed that the results of the calculation of the per-share value of the Company's Stock by Daiwa Institute of Research are as follows:

Market price method:	1,362 yen to 1,445 yen
Comparable companies method:	1,202 yen to 1,780 yen
DCF Method:	1,601 yen to 2,075 yen

According to the Offeror, under the market price method, with November 5, 2026 as the reference date, the range of the per-share value of the Company's Stock was calculated to be from 1,362 yen to 1,445 yen, based on the closing price of the Company's Stock on the TSE Prime Market on the reference date (1,445 yen), the simple average closing price for the most recent one month (from October 6, 2026 to November 5, 2026) (1,390 yen), the simple average closing price for the most recent three months (from August 6, 2026 to November 5, 2026) (1,405 yen) and the simple average closing price for the most recent six months (from May 6, 2026 to November 5, 2026) (1,362 yen).

According to the Offeror, under the comparable companies method, AS PARTNERS Co., Ltd., CARE TWENTYONE CORPORATION, CEDAR Co., Ltd., UCHIYAMA HOLDINGS Co., Ltd., Living Platform, Ltd., T.S.I Co., Ltd. and FB Care Service Co., Ltd. were selected as listed companies engaged in businesses relatively similar to those of the Company, and the share value of the Company was calculated through comparison with market prices and financial statements showing profitability, resulting in a range of the per-share value of the Company's Stock from 1,202 yen to 1,780 yen.

According to the Offeror, under the DCF Method, the corporate value and share value of the Company were evaluated by discounting to present value at a certain discount rate the free cash flows expected to be generated by the Company from the fiscal year ending June 2027 onward, based on the Business Plan provided by the Company, taking into account various factors such as the results of the due diligence conducted by the Offeror on the Company from mid-September 2026 to mid-October 2026, the recent trends in business performance, and publicly available information such as the annual securities reports and financial results presentation materials disclosed by the Company, resulting in a range of the per-share value of the Company's Stock from 1,601 yen to 2,075 yen. According to the Offeror, the synergies expected to be realized through the execution of the Tender Offer have not been reflected, as it is difficult to specifically estimate their impact on earnings as of today.

According to the Offeror, taking into comprehensive consideration the calculation results in the Offeror's Share Valuation Report obtained from Daiwa Institute of Research, as well as the results of the due diligence conducted by the Offeror on the Company, whether the Company's board of directors would support the Tender Offer, and the trends in the market price of the Company's Stock, and in light of the results of discussions and negotiations with the Company and other factors, the Offeror ultimately decided, at a meeting

of its board of directors held today, to set the Tender Offer Price at 1,970 yen per share.

According to the Offeror, the Tender Offer Price of 1,970 yen represents a premium of 36.33% over the closing price of the Company's Stock on the TSE Prime Market (1,445 yen) on November 5, 2026, the business day immediately preceding the date of announcement of the implementation of the Tender Offer, a premium of 41.73% over the simple average closing price for the most recent one-month period up to that date (1,390 yen), a premium of 40.21% over the simple average closing price for the most recent three-month period up to that date (1,405 yen), and a premium of 44.64% over the simple average closing price for the most recent six-month period up to that date (1,362 yen).

(Note) According to the Offeror, in calculating the share value of the Company, Daiwa Institute of Research assumed that all publicly available information and all information provided to Daiwa Institute of Research were accurate and complete, and did not independently verify the accuracy or completeness thereof. According to the Offeror, Daiwa Institute of Research did not conduct any independent valuation, appraisal or assessment, including analysis and evaluation of individual assets and liabilities, of the Company's or any of its affiliates' assets or liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities and other contingent liabilities), nor did it request any third-party institution to conduct any appraisal or assessment. In addition, according to the Offeror, Daiwa Institute of Research assumed that the financial forecasts for the Company (including profit plans and other information) had been reviewed or prepared in a reasonable manner by the management of the Offeror based on the best and bona fide forecasts and judgments currently available. According to the Offeror, Daiwa Institute of Research's valuation reflects the information and economic conditions obtained by Daiwa Institute of Research by November 5, 2026. According to the Offeror, the sole purpose of Daiwa Institute of Research's valuation is to serve as a reference for the board of directors of the Offeror in reviewing the share value of the Company.

b. Stock Acquisition Rights

According to the Offeror, all of the Stock Acquisition Rights were issued to the directors of the Company as stock options, and as a condition for exercise, the Stock Acquisition Right Holders may exercise them only within the period until 10 days (or, if the 10th day falls on a holiday, the following business day) have elapsed from the day on which they lose their position as directors of the Company. Accordingly, since the Offeror would not be able to exercise the Stock Acquisition Rights even if it acquired them through the Tender Offer, the Offeror has decided to set the Stock Acquisition Right Purchase Price at 1 yen for each series.

(III) Procurement by the Company of share valuation report from independent financial advisor and third-party valuator

(i) Name of valuator and its relationship with the Company and the Offeror

In expressing its opinion on the Tender Offer, the Company requested Nomura Securities, a financial advisor and third-party valuator independent of the Tender Offer-related Parties and the success or failure of the Transaction, to calculate the share value of the Company.

In addition, Nomura Securities is not one of the Tender Offer-related Parties and has no material interest that should be disclosed in the Transaction, including the Tender Offer. Furthermore, the remuneration to be paid to Nomura Securities in connection with the Transaction includes a success fee, which is payable subject to the consummation of the Transaction. The Company has appointed Nomura Securities as its financial advisor and third-party valuator under such fee structure, based on the judgment that the independence is not denied by the inclusion of a success fee to be paid on the condition that the Tender Offer is completed, taking into account the general practice in similar transactions and the appropriateness, among other things, of a remuneration structure under which the Company would incur a substantial financial burden if the Transaction is not consummated.

(ii) Overview of valuation

Nomura Securities, after examining the Company's financial condition, the market share price trends of the Company's Stock, and other factors, considered it appropriate to conduct a multifaceted evaluation, and, having

examined, from among multiple share valuation methods, the valuation methods to be adopted in calculating the share value of the Company, calculated the share value of the Company using, as valuation methods, the average market share price method, because a market share price exists; the comparable company method, because multiple listed companies comparable to the Company exist and it is possible to infer the share value of the Company by comparison with similar companies; and the DCF Method, in order to reflect the status of future business activities in the calculation, and the Company obtained the Share Valuation Report dated November 5, 2026 from Nomura Securities (Note).

In addition, in light of the fact that the Company and the Offeror are implementing measures to ensure the fairness of the Tender Offer and measures to avoid conflicts of interest, and other measures, the Company believes that sufficient consideration has been given to the interests of the Company's general shareholders, and therefore the Company has not obtained from Nomura Securities an opinion letter (fairness opinion) regarding the fairness of the Tender Offer Price.

The respective ranges of the per-share value of the Company's Stock calculated by Nomura Securities under each of the above methods are as follows:

Average market share price method:	From 1,360 yen to 1,403 yen
Comparable company method:	From 926 yen to 1,878 yen
DCF Method:	From 1,484 yen to 2,799 yen

Under the average market share price method, with November 4, 2026 being set as the reference date, the value per share of the Company's Stock is evaluated to range from 1,360 yen to 1,403 yen based on the closing price of the Company's Stock on the TSE Prime Market of 1,360 yen; the simple average closing price for the most recent five business days of 1,360 yen; the simple average closing price for the most recent one month of 1,387 yen; the simple average closing price for the most recent three months of 1,403 yen; and the simple average closing price for the most recent six months of 1,362 yen.

Under the comparable company method, Nomura Securities selected AS PARTNERS Co., Ltd., UCHIYAMA HOLDINGS Co., Ltd., and Living Platform, Ltd. as listed companies engaged in businesses similar to that of the Company, and performed the calculation using the EV/EBITDA multiple (hereinafter referred to as the "EBITDA Multiple"), the EV/EBIT multiple, PER and PBR, thereby calculating the range of the per-share value of the Company's Stock to be from 926 yen to 1,878 yen.

Under the DCF Method, the Company's financial forecasts included in the Business Plan, which Nomura Securities assumed as the premise for its calculation under the DCF Method, were prepared by the Company taking into consideration, in the nursing care business and other businesses, the performance up to the most recent period and the various measures for future growth, and the forecast period is set at the three fiscal years from the fiscal year ending June 2027 to the fiscal year ending June 2029, as the period for which future forecasts can reasonably be made. Nomura Securities, based on the Business Plan, on the premise of various factors, such as the income and expenditure forecasts and investment plans under the business plan for the three fiscal years from the fiscal year ending June 2027 to the fiscal year ending June 2029, publicly available information, and other factors, calculated the corporate value and share value based on the free cash flow expected to be generated by the Company from the 2nd quarter of the fiscal year ending June 2027 onward, by discounting it to present value at a certain discount rate corresponding to business risk, thereby calculating the range of the per-share value of the Company's Stock to be from 1,484 yen to 2,799 yen. In addition, the discount rate is the weighted average cost of capital (WACC), and a rate of 7.25% to 7.75% has been adopted (Please note that no size risk premium is taken into account.). Furthermore, in calculating the continuing value, it has been calculated to be from 39,434 million yen to 82,412 million yen based on the perpetual growth rate method and the multiple method. Under the perpetual growth rate method, the perpetual growth rate is 1.25% to 1.75%, taking into consideration the long-term economic outlook surrounding the Company and other factors, and under the multiple method, the EBITDA Multiple, which is common in valuation practice in M&A transactions, is adopted, and it is set at 5.5 times to 7.5 times, taking into consideration the Company's recent and past

EBITDA Multiple levels and other factors. In addition, in calculating the continuing value, the capital expenditure amount used was set based on depreciation expenses for the fiscal year ending June 2029, the final fiscal year of the Business Plan.

The financial forecasts based on the Business Plan, which Nomura Securities assumed as the premise for the calculation under the DCF Method, are as follows. It should be noted that the Business Plan was prepared by the Company in line with the content of the financial forecasts assumed in the Company's "Medium-term Management Plan" dated August 6, 2026 (the "Medium-Term Management Plan"), which was published before the receipt of the Letter of Intent. In addition, although the Medium-term Management Plan was approved by resolution of the Company's board of directors, including Mr. Shimomura and Mr. Nishikado, who is an independent outside director of the Company, formerly worked for the Offeror and concurrently serves as a director of a company belonging to the Offeror Group, on August 6, 2026, before the Company received from the Offeror the Letter of Intent, it was disclosed as part of the Company's regular annual updates made concurrently with the announcement of its full-year financial results, a practice followed since the announcement of its full-year financial results for the fiscal year ended June 2017, and it was prepared mainly by officers and employees of the Company who have no problem from the viewpoint of independence from the Tender Offer-related Parties other than the Company and from the success or failure of the Transaction, and it cannot be said that any arbitrary element is included therein. In addition, the content and reasonableness of the Medium-Term Management Plan were also deliberated upon and approved by the Company's directors, including outside directors. In addition, the Special Committee received an explanation from the Company regarding the content of the Business Plan, the material assumptions, the process of preparation, and other matters, and confirmed the reasonableness thereof, and the Special Committee has approved the Business Plan.

In addition, such financial forecasts do not include fiscal years in which a significant increase or decrease in profit is expected, and fiscal years in which a significant increase or decrease in free cash flow is expected. It should be noted that the synergy effects expected to be realized through the implementation of the Transaction are not factored into the Business Plan, because it is currently difficult to specifically estimate such effects at this point in time.

(Unit: million yen)

	Fiscal Year Ending June 2027 (9 months)	Fiscal Year Ending June 2028	Fiscal Year Ending June 2029
Net Sales	39,051	56,120	62,200
Operating Income	4,428	6,670	7,335
EBITDA	5,429	8,035	8,725
Free Cash Flow	4,539	3,355	4,105

(Note) In calculating the share value of the Company's Stock, Nomura Securities assumed that all publicly available information and all information provided to Nomura Securities were accurate and complete, and did not independently verify the accuracy or completeness thereof. Nomura Securities did not conduct any independent valuation, appraisal or assessment, including analysis and evaluation of individual assets and liabilities, of the Company's or any of its affiliates' assets or liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities and other contingent liabilities) nor did it request any third party institution to conduct any appraisal or assessment. In addition, Nomura Securities assumed that the financial forecasts for the Company (including profit plans and other information) had been reviewed or prepared in a reasonable manner by the management of the Company based on the best and bona fide forecast and judgment currently available at present. Nomura Securities' valuation reflects the information and economic conditions obtained by Nomura Securities by November 4, 2026. The sole purpose of Nomura Securities' valuation is to serve as a reference for the board of directors of the Company in reviewing the share value of the Company's Stock.

(IV) Advice procured by the Company from independent law firm

In order to ensure the fairness and appropriateness of the decision-making by the Company's board of directors,

and has received legal advice regarding the method and process of decision-making by the Company's board of directors with respect to the Tender Offer and the subsequent series of procedures, and other matters to be noted in making such decisions.

It should be noted that AMT is not a related party of the Company Group, or the Tender Offer-related Parties, and has no material interest in connection with the Transaction. The remuneration to be paid to AMT in connection with the Transaction is calculated by multiplying the hours worked by an hourly rate, regardless of whether the Transaction is successful or not, and does not include a success fee that is conditional upon, among other things, the consummation of the Transaction. In addition, the Special Committee has confirmed that there is no problem with the independence and expertise of AMT.

(V) Establishment of an independent deliberation structure within the Company

In order to eliminate the issue of structural conflicts of interest, the Company has established, within the Company, a structure for conducting the deliberation, negotiation, and determination relating to the Transaction from a position independent of the Tender Offer-related Parties other than the Company.

Specifically, since August 31, 2026, when the Company received the Letter of Intent from the Offeror, the Company, for the reasons stated in "(vi) Unanimous approval by all disinterested directors and opinion of no objection by all corporate auditors of the Company" below, has decided not to involve Mr. Shimomura and Mr. Nishikado who is an independent outside director of the Company and a former employee of the Offeror and concurrently serves as a director of a company in the Offeror Group in the deliberation regarding the Transaction and in the process of discussion and negotiation with the Offeror, and has established a framework for consideration consisting of officers and employees deemed independent of the parties involved in the tender offer other than the Company, prepared the Business Plan under that framework, and responded to the due diligence conducted by the Offeror on the Company, been involved, together with the Special Committee, in the process of negotiating the terms and conditions of the Transaction between the Company and the Offeror, and the Company has continued such treatment up to this day.

It should be noted that, as stated in "(ii) Background of consideration and content of determination" under "(I) Establishment by the Company of independent special committee and procurement of written report from the special committee" in "(3) Measures to ensure fairness of the Tender Offer" above, the Special Committee has confirmed that there is no problem with respect to the above-mentioned deliberation structure established within the Company by the Company, from the viewpoint of independence from the Tender Offer-related Parties other than the Company and from the success or failure of the Transaction.

(VI) Unanimous approval by all disinterested directors and opinion of no objection by all corporate auditors of the Company

As stated in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion" above, the Company carefully discussed and considered whether the Transaction would contribute to the improvement of the Company's corporate value, and whether the terms and conditions of the Transaction, including the Tender Offer, were reasonable, while taking into consideration the content of the Share Valuation Report obtained from Nomura Securities and the legal advice received from AMT, and while giving the utmost respect to the content of the Report submitted by the Special Committee.

As a result, as stated in "(III) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion" above, the Company resolved, at the board of directors meeting held today, having determined that the Transaction would contribute to the improvement of the Company's corporate value and that the terms and conditions of the Transaction, including the Tender Offer Price, were reasonable, to express its opinion in support of the Tender Offer, to recommend that the Company's shareholders tender their shares in the Tender Offer, and to leave the decision as to whether or not to tender in the Tender Offer to the discretion of the holders of the Stock Acquisition Rights since the Stock Acquisition Right Purchase Price is set at 1 yen.

At the above board of directors meeting, all five disinterested directors, excluding Mr. Shimomura and Mr. Nishikado, out of the Company's seven directors, participated, and the resolution was adopted by the unanimous vote

of all directors who participated. It should be noted that, among the Company's directors, in consideration of the fact that Mr. Shimomura was to enter into the Tender Agreement with the Offeror, and that Mr. Nishikado is a former employee of the Offeror and also concurrently serves as a director of a company belonging to the Offeror Group, including the Offeror, these directors did not participate in such deliberation and resolution, from the viewpoint of eliminating, to the extent possible, the risk that the deliberation and resolution by the board of directors would be affected by the issue of structural conflicts of interest in the Tender Offer, and the above resolution was adopted, after deliberation, by the unanimous vote of the five directors other than these two directors. In addition, these directors who did not participate in such deliberation and resolution have also not been involved, in the capacity of the Company, in the negotiation of the Tender Offer between the Company and the Offeror. It should be noted that all three corporate auditors of the Company attended the above board of directors meeting, and each of them stated an opinion of having no objection to the adoption of the above resolution.

(VII) Measures to secure opportunities for purchases by other potential purchasers

According to the Offeror, the Offeror and the Company have not entered into any agreement restricting contact between a competing bidder and the Company, including any agreement containing deal protection provisions that prohibit the Company from contacting a competing bidder, and have given consideration to ensuring the fairness of the Tender Offer by not impeding opportunities for competing offers or other competing acquisitions.

(VIII) Measures to ensure that the Company's shareholders have opportunity to make informed decision on whether to tender their shares in the Tender Offer

According to the Offeror, as described in "(4) Policies on reorganization, etc. after the Tender Offer" below, the Offeror plans to adopt a method under the Squeeze-out Procedures whereby cash will ultimately be paid to the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Offeror Parties and the Company). In that case, the Offeror plans to calculate the amount of cash to be paid to those shareholders so that it equals the Tender Offer Price multiplied by the number of Company's Stock they owned. Accordingly, the Offeror has given consideration to avoiding coercion by ensuring that the Company's shareholders have an opportunity to make an informed decision on whether to tender their shares in the Tender Offer.

In addition, according to the Offeror, as described in "(I) Tender Agreement" under "(6) Material agreements concerning the Tender Offer" below, the Offeror and Mr. Shimomura have agreed in the Tender Agreement entered into between them that Mr. Shimomura will neither exercise the Stock Acquisition Rights nor tender them in the Tender Offer, and will waive them if the Tender Offer is consummated. As described in "(II) Other matters" under "(6) Material agreements concerning the Tender Offer" below, the Offeror has also confirmed with Mr. Kokaji that he intends neither to exercise the Stock Acquisition Rights nor to tender them in the Tender Offer, and intends to waive them if the Tender Offer is consummated. As described in "(III) Waiver, etc. of the Stock Acquisition Rights" under "(4) Policies on reorganization, etc. after the Tender Offer" below, if the Tender Offer is consummated, the Offeror plans to request that the Company implement procedures reasonably necessary to execute the Transaction, including acquiring and cancelling the Stock Acquisition Rights and encouraging their holders to waive them. The Company plans to cooperate with such a request if it receives such a request.

Furthermore, according to the Offeror, by setting the Tender Offer Period at 30 business days, which is longer than the statutory minimum of 20 business days, the Offeror intends to ensure the propriety of the Tender Offer by providing the Company's shareholders with an opportunity to make an informed decision on whether to tender their shares in the Tender Offer, while also providing persons other than the Offeror with an opportunity to purchase or otherwise acquire Company's Stock.

(4) Policies on reorganization, etc. after the Tender Offer

As described in "(I) Overview of the Tender Offer" above under "(2) Grounds and reasons for the opinion", if the Offeror fails to acquire all of the Company's Stock through the Tender Offer, the Offeror plans to implement the following Squeeze-out Procedures after the completion of the Tender Offer.

(I) Demand for Shares, etc. Cash-out

According to the Offeror, if, as a result of the completion of the Tender Offer, the Offeror Parties come to own 90% or more of the voting rights of all shareholders of the Company and the Offeror becomes a special controlling shareholder as prescribed in Article 179, Paragraph 1 of the Companies Act, the Offeror plans to, promptly after the completion of the settlement of the Tender Offer and pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act, demand that all of the shareholders of the Company (excluding the Offeror Parties and the Company) (the "Shareholders Subject to Cash-out") sell all of the Company's Stock owned by them (the "Demand for Shares, etc. Cash-out"). According to the Offeror, in the Demand for Shares, etc. Cash-out, the Offeror plans to provide that an amount of money equal to the Tender Offer Price will be delivered to the Shareholders Subject to Cash-out as consideration for each share in the Company's Stock. According to the Offeror, in such case, the Offeror will notify the Company to that effect and request the Company's approval of the Demand for Shares, etc. Cash-out. According to the Offeror, if the Company approves the Demand for Shares, etc. Cash-out by a resolution of its board of directors, the Offeror will, in accordance with the procedures prescribed by relevant laws and regulations and without requiring individual consent from the Shareholders Subject to Cash-out, acquire all the shares in the Company's Stock owned by the Shareholders Subject to Cash-out as of the acquisition date specified in the Demand for Shares, etc. Cash-out. According to the Offeror, the Offeror then plans to deliver to each Shareholder Subject to Cash-out an amount of money equal to the Tender Offer Price as consideration for each share in the Company's Stock owned by such Shareholder Subject to Cash-out.

If the Company receives from the Offeror a notice of its intention to make the Demand for Shares, etc. Cash-out and of the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act, the Company plans to approve the Demand for Shares, etc. Cash-out at its board of directors meeting.

According to the Offeror, as a procedure under the Companies Act for the purpose of protecting the rights of minority shareholders in connection with the above procedures, if the Demand for Shares, etc. Cash-out is made, the Shareholders Subject to Cash-out may file a petition with the court for a determination of the sale price of the shares in the Company's Stock owned by them in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations. According to the Offeror, if such petition is filed, the sale price of the shares in the Company's Stock will be ultimately determined by the court.

According to the Offeror, with respect to the restricted shares granted to the directors of the Company (the "Restricted Shares"), the allotment agreements provide that, if, during the transfer restriction period, matters concerning a demand for share cash-out covering the Company's common stock are approved by the Company's board of directors (limited to cases where the acquisition date of the shares subject to cash-out (the "Cash-out Effective Date") falls before the expiration of the transfer restriction period), the transfer restrictions on all of the Restricted Shares held by the grantee as of the date of such approval shall be lifted, by a resolution of the Company's board of directors, immediately before the business day immediately preceding the Cash-out Effective Date. According to the Offeror, in the Squeeze-out Procedures, the Restricted Shares for which the transfer restrictions are lifted immediately before the business day immediately preceding the effective date of the Demand for Shares, etc. Cash-out in accordance with the above provisions of the allotment agreements will be subject to the Demand for Shares, etc. Cash-out.

(II) Share consolidation

According to the Offeror, if, after the completion of the Tender Offer, the Offeror Parties do not come to own 90% or more of the voting rights of all shareholders of the Company, the Offeror plans to request the Company, promptly after the completion of the settlement of the Tender Offer, to hold an extraordinary general meeting of shareholders around March 2027 (the "Extraordinary Shareholders' Meeting"), the agenda of which will include proposals for a consolidation of shares of the Company's Stock pursuant to Article 180 of the Companies Act (the "Share Consolidation") and for a partial amendment to the articles of incorporation to abolish the provisions on the share unit number subject to the Share Consolidation becoming effective.

According to the Offeror, if the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will, as of the effective date of the Share Consolidation, own the number of shares in the Company's Stock corresponding to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. According to the Offeror, if any fractional shares of less than one share arise as a result of the Share Consolidation, the shareholders of the Company holding such fractional shares will receive an amount of money obtained by selling to the Company or the Offeror, or otherwise, the shares in the Company's Stock equivalent to the total number of such fractional shares (if the total number includes any fraction of less than one share, such fraction will be rounded down; the same shall apply hereinafter), in accordance with Article 235 of the Companies Act and other relevant laws and regulations. According to the Offeror, it plans to request the Company to file a petition with the court for permission for voluntary sale after calculating the sale price of the shares in the Company's Stock equivalent to the total number of such fractional shares so that the amount of money to be delivered as a result of such sale to the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Offeror Parties and the Company) will be equal to the amount obtained by multiplying the Tender Offer Price by the number of shares in the Company's Stock owned by each such shareholder. According to the Offeror, although the ratio of the Share Consolidation has not yet been determined as of today, the Offeror plans to request the Company to determine the ratio so that the number of shares in the Company's Stock owned by the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Offeror Parties and the Company) will be a fraction of less than one share, with the aim that only the Offeror Parties will own all the shares in the Company's Stock (excluding the treasury shares held by the Company). The Company intends to comply with these requests if it receives them from the Offeror.

As provisions for the purpose of protecting the rights of minority shareholders in connection with the Share Consolidation, the Companies Act provides that, if the Share Consolidation is implemented and results in fractional shares of less than one share, the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Offeror Parties and the Company) may, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, demand that the Company purchase at a fair price all of the shares owned by them that will become fractional shares of less than one share, and may file a petition with the court for a determination of the price of the shares in the Company's Stock. If such petition is filed, the purchase price will be ultimately determined by the court.

According to the Offeror, with respect to the Restricted Shares, the allotment agreements provide that, if, during the transfer restriction period, a consolidation of shares (limited to cases where the Restricted Shares held by the grantee will become only fractional shares of less than one share as a result of such consolidation of shares) is approved at a general meeting of shareholders of the Company (limited to cases where the effective date of such consolidation of shares (the "Share Consolidation Effective Date") falls before the expiration of the transfer restriction period), the transfer restrictions on all of the Restricted Shares held by the grantee as of the date of such approval shall be lifted, by a resolution of the Company's board of directors, immediately before the business day immediately preceding the Share Consolidation Effective Date. According to the Offeror, in the Squeeze-out Procedures, the Restricted Shares for which the transfer restrictions are lifted immediately before the business day immediately preceding the effective date of the Share Consolidation in accordance with the above provisions of the allotment agreements will be subject to the Share Consolidation.

(III) Waiver, etc. of the Stock Acquisition Rights

According to the Offeror, if the Tender Offer is completed, the Offeror plans to request the Company to implement the procedures reasonably necessary for the execution of the Transaction, such as the acquisition and cancellation of the Stock Acquisition Rights or the recommendation to the Stock Acquisition Right Holders to waive the Stock Acquisition Rights. The Company intends to cooperate with such request upon receipt thereof.

According to the Offeror, the specific procedures and the timing of implementation thereof in the above cases will be promptly announced by the Company once determined upon discussion between the Offeror and the Company. The Stock Acquisition Right Holders are only Mr. Shimomura and Mr. Kokaji, and (i) as described in "(I) Tender

Agreement" under "(6) Material agreements concerning the Tender Offer," Mr. Shimomura has agreed, in the Tender Agreement entered into with the Offeror, not to exercise the Stock Acquisition Rights, not to tender the Stock Acquisition Rights in the Tender Offer, and to waive the Stock Acquisition Rights if the Tender Offer is completed, and (ii) as described in "(II) Other matters" under "(6) Material agreements concerning the Tender Offer," the Offeror has confirmed with Mr. Kokaji that Mr. Kokaji intends not to exercise the Stock Acquisition Rights, not to tender the Stock Acquisition Rights in the Tender Offer, and to waive the Stock Acquisition Rights if the Tender Offer is completed.

According to the Offeror, with respect to each of the procedures in (I) through (III) above, depending on the circumstances such as amendments to, enforcement of and interpretation by the authorities of relevant laws and regulations, it may take time to implement them or the method of implementation may change. However, according to the Offeror, even in such case, if the Tender Offer is completed, the method of ultimately delivering money to the shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Offeror Parties and the Company) is planned to be adopted, and the amount of money to be delivered to such shareholders in such case is planned to be calculated so as to be equal to the amount obtained by multiplying the Tender Offer Price by the number of shares in the Company's Stock owned by each such shareholder. In addition, according to the Offeror, if money is to be delivered to the Stock Acquisition Right Holders who did not tender their Stock Acquisition Rights in the Tender Offer, the amount of money is planned to be calculated so as to be equal to the amount obtained by multiplying the Stock Acquisition Right Purchase Price in the Tender Offer by the number of the relevant Stock Acquisition Rights owned by each such Stock Acquisition Right Holder. The specific procedures and the timing of implementation thereof in each of the above cases will be promptly announced by the Company once determined upon discussion between the Offeror and the Company.

The Tender Offer is not intended in any way to solicit the approval of the shareholders of the Company at the Extraordinary Shareholders' Meeting. Shareholders of the Company are requested to consult with tax accountants or other professionals at their own responsibility regarding the tax treatment of tendering in the Tender Offer or of each of the above procedures.

(5) Possibility of delisting and reasons therefor

As of today, the Company's Stock is listed on the TSE Prime Market. However, since the Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the outcome of the Tender Offer, the Company's Stock may be delisted through prescribed procedures in accordance with the delisting criteria of TSE.

Even if such criteria are not met at the time the Tender Offer is consummated, if, after the consummation of the Tender Offer, the Squeeze-out Procedures in "(4) Policies on reorganization, etc. after the Tender Offer" above are implemented, the Company's Stock will fall under the delisting criteria of TSE and will be delisted through the prescribed procedures. After the Company's Stock is delisted, it may no longer be traded on the TSE Prime Market.

(6) Material agreements concerning the Tender Offer

(I) Tender Agreement

According to the Offeror, it entered into the Tender Agreement with Mr. Shimomura as of today. According to the Offeror, under the Tender Agreement, Mr. Shimomura agreed to tender the Shares to be Tendered (shareholding ratio: 16.13%) in the Tender Offer, to not exercise Mr. Shimomura's Stock Acquisition Rights Not to be Tendered (shareholding ratio: 0.10%) and to not tender them in the Tender Offer, and to waive all of Mr. Shimomura's Stock Acquisition Rights Not to be Tendered if the Tender Offer is consummated.

According to the Offeror, the summary of the Tender Agreement is as follows. According to the Offeror, it has not reached any agreement with Mr. Shimomura in connection with the Tender Offer other than the Tender Agreement, and there are no benefits to be provided by the Offeror to Mr. Shimomura other than the monies obtained by tendering in the Tender Offer.

(a) The Offeror shall commence the Tender Offer in accordance with applicable laws and regulations, and Mr. Shimomura shall tender the Shares to be Tendered in the Tender Offer, shall not exercise Mr. Shimomura's Stock Acquisition Rights Not to be Tendered nor tender them in the Tender Offer, and, subject to consummation of the Tender Offer, shall waive all of Mr. Shimomura's Stock Acquisition Rights Not to be Tendered. In addition, Mr. Shimomura shall not withdraw such tender or non-tender, or terminate any agreement for purchases arising from such tender or non-tender (provided, however, that this shall not apply if the Tender Agreement is terminated or the tender in the Tender Offer is withdrawn pursuant to (e) below, or if the Tender Agreement is terminated pursuant to (Note 4) below)

(b) Mr. Shimomura's performance of his obligations set forth in (a) above shall be subject to all of the following conditions being satisfied; provided, however, that Mr. Shimomura may, at his sole discretion, waive the satisfaction of any or all of the following conditions as a prerequisite for his performance of those obligations:

- The Tender Offer has been lawfully and validly commenced and has not been withdrawn;
- There are no material inaccuracies in the Offeror's representations and warranties at any time during the period from the date of execution of the Tender Agreement to the commencement date of the Tender Offer;
- The Offeror is not in material breach of any of its obligations under the Tender Agreement, including the commencement of the Tender Offer set forth in (a) above;
- There are no laws, cabinet orders, notices, rules, orders, ordinances, regulations, or orders, dispositions, or judicial decisions that restrict or prohibit the Tender Offer;The purchase price and other terms of the Tender Offer are not less favorable to Mr. Shimomura than the purchase price and other terms of the Tender Offer at the time of its public announcement, as confirmed in the Tender Agreement (including no reduction in the Tender Offer Price);
- The Company's board of directors has adopted a resolution expressing its opinion in favor of the Tender Offer, such resolution has been publicly announced, and the Company's board of directors has not adopted any resolution to withdraw or change such opinion;
- Mr. Shimomura's tender in the Tender Offer does not, and is not likely to, violate Article 166 of the Act or any other applicable laws and regulations;
- No natural disaster has occurred that would make it objectively impossible or extremely difficult to tender in the Tender Offer.

(c) The Offeror's performance of its obligations set forth in (a) above shall be subject to all of the following conditions being satisfied; provided, however, that the Offeror may, at its sole discretion, waive the satisfaction of any or all of the following conditions as a prerequisite for its performance of those obligations:

- There are no material inaccuracies in Mr. Shimomura's representations and warranties described below at any time during the period from the date of execution of the Tender Agreement to the commencement date of the Tender Offer;
- Mr. Shimomura is not in material breach of any of his obligations under the Tender Agreement, including the obligations set forth in (e) below;
- There is no undisclosed material fact relating to the Company (the main clause of Article 166, paragraph (1) of the Act) or undisclosed fact relating to the implementation or suspension of a tender offer, etc. (the main clause of Article 167, paragraph (1) of the Act), or neither Mr. Shimomura nor the Offeror is aware of any such fact;
- The Company's board of directors has adopted a resolution expressing an opinion in favor of the Tender Offer, such resolution has been publicly announced, and the Company's board of directors has not adopted any resolution to withdraw or change such opinion;
- No petition, lawsuit, or proceeding seeking to restrict or prohibit the Tender Offer is pending before any public agency, and there are no laws or regulations, orders, dispositions or judicial decisions that restrict or

prohibit the Tender Offer;

- No natural disaster has occurred that would make it objectively impossible or extremely difficult to commence the Tender Offer.

(d) Mr. Shimomura shall not, directly or indirectly, make any proposal or solicitation to any third party regarding the implementation of a tender offer targeting the Company's shares or any other acts that compete, contradict, or conflict with, or are likely to compete, contradict, or conflict with, the Tender Offer during the period from the execution date of the Tender Agreement to the Tender Offer Period.

(e) If, during the period from the date of execution of the Tender Agreement through the last day of the Tender Offer Period, any proposal by a third party other than the Offeror concerning a tender offer for the Company's Stock, a merger, share exchange, share transfer, share delivery, business transfer or other similar transaction to which the Company is a party, or any other proposal that competes with the Tender Offer and makes, or may make, consummation of the Tender Offer difficult (the "Competing Proposal") is publicly announced or made in writing to the Company or Mr. Shimomura, Mr. Shimomura shall notify the Offeror in writing of such fact and the details of such Competing Proposal. In addition, if the Company's board of directors withdraws or changes its opinion in favor of the Tender Offer or its recommendation to tender in the Tender Offer, or expresses an opinion opposing the Tender Offer, Mr. Shimomura may, by written notice to the Offeror, terminate the Tender Agreement or withdraw his tender in the Tender Offer.

(f) Mr. Shimomura has disclosed to the Offeror that pledges (the "Pledges") have been created over 3,500,000 shares of the Shares to be Tendered (comprising 2,000,000 shares for Resona Bank, Limited and 1,500,000 shares for MUFG Bank, Ltd.; the "Pledged Shares"). Mr. Shimomura shall promptly enter into an agreement with the pledgees of the Pledges concerning the release of the Pledges and related matters for the purpose of tendering the Pledged Shares in the Tender Offer (the "Pledge Release Agreement") and, in accordance with the Pledge Release Agreement, cause the Pledges to be released by the time of tendering, and thereafter tender the Pledged Shares in the Tender Offer.

In addition to the above, the Tender Agreement provides for representations and warranties (Note 1) (Note 2), indemnification obligations in the event of a breach of representations and warranties or obligations (Note 3), termination of the agreement (Note 4) (Note 5), events of termination (Note 6), and general provisions.

(Note 1) According to the Offeror, in the Tender Agreement, Mr. Shimomura has made representations and warranties with respect to himself regarding: (i) the execution and performance of the Tender Agreement; (ii) authorization and enforceability; (iii) the acquisition of permits and approvals, etc.; (iv) the absence of conflicts with laws and regulations, etc.; (v) the absence of grounds for bankruptcy petitions, etc.; (vi) complete ownership of the Shares to be Tendered (excluding the Pledged Shares); (vii) the absence of agreements relating to the Shares to be Tendered (excluding any agreements pertaining to the Pledges and the Pledge Release Agreement); and (viii) the absence of relationships with anti-social forces. According to the Offeror, Mr. Shimomura has also made representations and warranties with respect to the Company regarding: (i) its incorporation and existence; (ii) identification of the Company's subsidiaries and complete ownership of the shares of such subsidiaries; (iii) the absence of grounds for bankruptcy petitions, etc.; (iv) the accuracy of its financial statements; (v) the absence of changes in its financial condition, etc.; (vi) the payment of taxes and public dues; (vii) the absence of grounds for delisting; (viii) the absence of litigations, etc.; (ix) the absence of material facts; (x) the absence of relationships with anti-social forces; (xi) the absence of conflicts with laws and regulations, etc.; and (xii) the accuracy of disclosed information.

(Note 2) According to the Offeror, in the Tender Agreement, the Offeror has made representations and warranties

regarding: (i) its incorporation and existence; (ii) the execution and performance of the Tender Agreement; (iii) authorization and enforceability; (iv) the acquisition of permits and approvals, etc.; (v) the absence of conflicts with laws and regulations, etc.; (vi) the absence of grounds for bankruptcy petitions, etc.; and (vii) the absence of relationships with anti-social forces.

(Note 3) According to the Offeror, the Tender Agreement provides that, if either the Offeror or Mr. Shimomura incurs any damage, loss or expense (including reasonable attorneys' fees; "Damages, etc.") arising from or in connection with a breach by the other party of its representations and warranties or contractual obligations, the breaching party must indemnify the other party for such Damages, etc.

(Note 4) According to the Offeror, Mr. Shimomura may terminate the Tender Agreement by giving prior written notice to the Offeror if (i) the Offeror is in material breach of its representations and warranties; (ii) the Offeror is in material breach of its obligations set forth in the Tender Agreement, including failure to commence the Tender Offer set forth in (a) above; (iii) the Tender Offer is not commenced by November 30, 2026; (iv) the Offeror withdraws the Tender Offer; (v) the Company's board of directors withdraws or changes its opinion in favor of the Tender Offer or its recommendation to tender in the Tender Offer; or expresses an opinion opposing the Tender Offer, or (vi) the circumstances set forth in the latter part of (e) above arise.

(Note 5) According to the Offeror, it may terminate the Tender Agreement by giving prior written notice to Mr. Shimomura, but only before commencement of the Tender Offer, if (i) Mr. Shimomura is in material breach of his representations and warranties; (ii) Mr. Shimomura is in material breach of his obligations set forth in the Tender Agreement, including the obligations set forth in (d) above; (iii) an event occurs that permits the withdrawal of the Tender Offer to the extent permitted by applicable laws and regulations; or (iv) any circumstance newly arises or becomes known that may have a material adverse effect on the Company's assets or liabilities, business, cash flows, financial condition, operating results, future earnings plan or outlook.

(Note 6) The Tender Agreement may be terminated by written agreement between Mr. Shimomura and the Offeror. According to the Offeror, the Tender Agreement will also automatically terminate if the Tender Offer is not consummated.

(II) Other matters

The Offeror has confirmed with STK that STK intends not to tender any of the Company's Stock it holds (9,600,000 shares (shareholding ratio: 29.33%)) in the Tender Offer.

Furthermore, the Offeror has also confirmed with Mr. Kokaji, who holds the Stock Acquisition Rights, that, with respect to all of the 404 Stock Acquisition Rights (number of underlying shares: 7,610 shares; "Mr. Kokaji's Stock Acquisition Rights Not to be Tendered" (shareholding ratio: 0.02%)) that he holds, he does not intend to exercise Mr. Kokaji's Stock Acquisition Rights Not to be Tendered, that he does not intend to tender Mr. Kokaji's Stock Acquisition Rights Not to be Tendered in the Tender Offer, and that he intends to waive Mr. Kokaji's Stock Acquisition Rights Not to be Tendered if the Tender Offer is consummated.

(7) Other material matters regarding the Tender Offer

Not applicable.

4. Description of Provision of Profit by Offeror or its Special Interest Parties

Not applicable.

5. Policy to Address Basic Policy concerning Control of Company

Not applicable.

6. Inquiries to Offeror

Not applicable.

7. Request for Extending Tender Offer Period

Not applicable.

8. Future Outlook

Please see "(IV) Policies on management after the Tender Offer" under "(2) Grounds and reasons for the opinion" under "3. Details of, and Grounds and Reasons for Opinion on the Tender Offer," "(4) Policies on reorganization, etc. after the Tender Offer," and "(5) Possibility of delisting and reasons therefor" above.

9. Matters concerning MBO, etc.

(1) Matters concerning measures to ensure fairness and to avoid conflicts of interest

The Offeror falls under a parent company of other associated companies of the Company, and the "Matters to be Observed Pertaining to MBO, etc." set forth in Article 441 of the Securities Listing Regulations apply to the Transaction, including the Tender Offer. In connection with the Transaction, including the Tender Offer, the Company has taken measures to ensure fairness and to avoid conflicts of interest, as described in "(3) Measures to ensure fairness of the Tender Offer" under "3. Details of, and Grounds and Reasons for Opinion on the Tender Offer" above.

(2) Opinion obtained from the Special Committee on fairness of the Transaction to general shareholders

As stated in "(I) Establishment by the Company of independent special committee and procurement of written report from the special committee" under "(3) Measures to ensure fairness of the Tender Offer" under "3. Details of, and Grounds and Reasons for Opinion on the Tender Offer" above, the Company has received the Report from the Special Committee stating that the Transaction, including the Tender Offer, is fair for the general shareholders of the Company. Please refer to Appendix 1 for details of the Report.

10. Others

(1) Publication of "Consolidated Financial Results for the Three Months of the Fiscal Year Ending June 30, 2027 (Under Japanese GAAP) "

As of today, the Company has published the Company's Financial Results Brief. For details, please see the relevant published materials.

(2) Publication of " Notice Concerning Revision of Interim Dividend and Year-End Dividend Forecast for the Fiscal Year Ending June 30, 2027 (No Dividend)"

At today's board of directors meeting, the Company resolved to revise the year-end dividend forecast for the fiscal year ending June 2027 and resolved not to pay interim or year-end dividends for that fiscal year, on the condition that the Tender Offer is consummated. For details, please see the relevant published materials.

(Reference)

Report (Appendix 1)

"Notice Concerning the Commencement of a Tender Offer for Share Certificates, Etc. in CHARM CARE CORPORATION (Securities code: 6062)" dated November 6, 2026 (Appendix 2)

End of Document

[Restrictions on Solicitation]

- This Press Release is intended to publicly announce the Tender Offer and has not been prepared for the purpose of soliciting any offer to sell shares, etc. If shareholders wish to make an offer to sell their shares, etc., they should first be sure to read the Tender Offer Explanatory Statement for the Tender Offer and make such offer at their own discretion. This Press Release does not constitute, nor form part of, any solicitation of any offer to sell, or any offer to buy, securities. In addition, neither this Press Release (or any part of it) nor the fact of its distribution shall form the basis of any agreement pertaining to the Tender Offer or be relied upon in the event of the execution of any such agreement.

[U.S. Regulations]

- The Tender Offer will not be made, directly or indirectly, in or into the United States, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of the United States (including, but not limited to, telephone, telex, facsimile, electronic mail, and internet communications), or through any facility of a securities exchange in the United States. No tender in the Tender Offer may be made by any such means or instrumentality, through any such facility, or from within the United States. In addition, the Tender Offer Registration Statement and documents related to the Tender Offer will not be, and may not be, mailed or otherwise transmitted or distributed, in or into the United States, or from within the United States. Any tender in the Tender Offer that directly or indirectly violates the above restrictions will not be accepted.

[Other Countries]

- In some countries or regions, restrictions may be imposed on the announcement, publication or distribution of this Press Release. In such cases, please take note of such restrictions and comply therewith. In countries or regions where the implementation of the Tender Offer is illegal, even if this Press Release is received, such receipt shall not constitute a solicitation of any offer to sell or any offer to buy shares in connection with the Tender Offer and shall be deemed a distribution of materials for informational purposes only.

November 6, 2026

To: Charm Care Corporation

Report

Special Committee of Charm Care Corporation

Toshiro Kosaka, Chairperson

Tomokazu Yamazawa, Committee Member

Kimiko Tanaka, Committee Member

Yukihiko Koshimoto, Committee Member

This special committee (the "**Special Committee**") is a committee established pursuant to the resolution of the board of directors of Charm Care Corporation (the "**Company**") adopted at its meeting held on September 3, 2026, for the purpose of ensuring careful consideration in the Company's decision-making with respect to the transaction described below (the "**Transaction**") proposed by SHIP HEALTHCARE HOLDINGS, INC. (the "**Offeror**"), eliminating arbitrariness and the risk of conflicts of interest in the decision-making process of the Company's board of directors, and ensuring its fairness.

The Special Committee is composed of two outside directors of the Company, one outside Audit & Supervisory Board Member of the Company, and one external expert, each of whom is independent of the Offeror, the group consisting of the Offeror, its consolidated subsidiaries and equity-method affiliates (the "**Offeror Group**"), Mr. Takahiko Shimomura, who is expected to enter into a tender agreement with the Offeror (the Representative Director, Chairman and a major shareholder of the Company; hereinafter referred to as "**Mr. Shimomura**" and, collectively with the Offeror Group, the "**Interested Parties**"), and the outcome of the Transaction.

Details of the Transaction

The transaction pursuant to which, after the Offeror conducts a tender offer (the "**Tender Offer**") for the purpose of acquiring (i) all of the issued common shares of the Company (the "**Company's**

Stock") (including the Company's Stock to be delivered upon exercise of the Company's Stock acquisition rights (as defined below), but excluding the treasury shares held by the Company and the Company's Stock indirectly owned through STK Co., Ltd. ("**STK**"), a wholly-owned subsidiary of the Offeror (number of shares held as of the date of submission of this Report: 9,600,000 shares (shareholding ratio[1]: 29.33%))), and (ii) all of the stock acquisition rights issued pursuant to the resolution of the board of directors of the Company adopted at its meeting held on September 26, 2017 (the "**First Stock Acquisition Rights**"), the stock acquisition rights issued pursuant to the resolution of the board of directors of the Company adopted at its meeting held on September 26, 2018 (the "**Second Stock Acquisition Rights**"), the stock acquisition rights issued pursuant to the resolution of the board of directors of the Company adopted at its meeting held on September 25, 2019 (the "**Third Stock Acquisition Rights**"), and the stock acquisition rights issued pursuant to the resolution of the board of directors of the Company adopted at its meeting held on September 25, 2020 (the "**Fourth Stock Acquisition Rights**," and collectively with the First Stock Acquisition Rights, the Second Stock Acquisition Rights, and the Third Stock Acquisition Rights, the "**Company's Stock Acquisition Rights**")[2], if the Offeror is unable to acquire all of the Company's Stock through the Tender Offer, the Offeror will implement squeeze-out procedures (the "**Squeeze-out Procedures**") by means of a demand for shares, etc. cash-out or otherwise, and thereby become the wholly owning parent company of the Company

The Company has its issued shares listed on the Prime Market of Tokyo Stock Exchange, Inc. ("**TSE**"). Since the Transaction is to be carried out by the Offeror, which indirectly owns 29.33% of the Company's issued shares through STK and accounts for the Company as an equity-method affiliate, for the purpose of making the Company its wholly-owned subsidiary, the Transaction constitutes a tender offer in which the Offeror is the "parent company of an other associated company" (Rule 441, paragraph 1, item (2) of the TSE Securities Listing Regulations; Rule 436-3, paragraph 3, item (5) of the Enforcement Rules for the TSE Securities Listing Regulations). Based on such circumstances, this

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[1] The "shareholding ratio" means the ratio (rounded to the second decimal place) to the number of shares (32,733,480 shares) obtained by: deducting, from the total number of issued shares in the Company as of September 30, 2026 (32,712,000 shares) as stated in the " Consolidated Financial Results for the Three Months of the Fiscal Year Ending June 30, 2027 (Under Japanese GAAP)" published by the Company today (the "**Company's Financial Results Brief**"), the number of treasury shares (20,240 shares) calculated by subtracting the number of treasury shares granted by the Company to four directors of the Company as restricted shares by way of disposal of treasury shares, with October 27, 2026 as the payment date (the "**RS Grant**") (10,400 shares) (representing 104 voting rights) from the number of treasury shares held by the Company as of September 30, 2026 (30,640 shares) as stated in the Company's Financial Results Brief (32,691,760 shares); and adding the number of shares in the Company's Stock (41,720 shares) underlying the 2,144 Stock Acquisition Rights remaining and exercisable as of September 30, 2026.

[2] The breakdown of the Company's Stock Acquisition Rights remaining outstanding as of September 30, 2026 is as follows, totaling 2,144 units (number of underlying shares of the Company's Stock: 41,720 shares):
First Stock Acquisition Rights: 367 units, Number of underlying shares of the Company's Stock: 14,680 shares
Second Stock Acquisition Rights: 449 units, Number of underlying shares of the Company's Stock: 8,980 shares
Third Stock Acquisition Rights: 478 units, Number of underlying shares of the Company's Stock: 9,560 shares
Fourth Stock Acquisition Rights: 850 units, Number of underlying shares of the Company's Stock: 8,500 shares

Report is prepared as a "document stating the opinion of a special committee composed of persons specified in the Enforcement Rules" as stipulated in the said provisions.

With respect to the matters referred to the Special Committee for consultation by the Company's board of directors to the Special Committee, the details of the Special Committee's conclusions and the reasons therefor are as follows.

Part 1 Consultation Matters

At the Company's board of directors meeting held on September 3, 2026, it was resolved to establish the Special Committee and to refer the following matters concerning the Transaction (the "**Consultation Matters**") to the Special Committee for consultation.

(1) Whether the purpose of the Transaction is reasonable (including whether the Transaction will contribute to the enhancement of the Company's corporate value)
(2) Whether the fairness of the terms and conditions relating to the Transaction (including the method of the Transaction or the level and type of consideration) is ensured
(3) Whether sufficient consideration has been given, through fair procedures, to the interests of shareholders of the Company in the Transaction
(4) Taking into consideration (1) through (3) above, whether the Transaction is deemed to be fair to general shareholders of the Company
(5) Whether it is appropriate for the Company's board of directors to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer

Part 2 Conclusions of the Special Committee

The details of the Special Committee's opinion with respect to the Transaction are as follows:

(1) The Transaction will contribute to the enhancement of the Company's corporate value, and the purpose of the Transaction is considered reasonable.
(2) The fairness of the terms and conditions of the Transaction (including the method of the Transaction and the level and type of consideration) is considered to have been ensured.
(3) In the Transaction, sufficient consideration has been given, through fair procedures, to the interests of the Company's shareholders.
(4) Taking into consideration (1) through (3) above, the Transaction is considered to be fair to the Company's general shareholders.
(5) It is considered appropriate for the Company's board of directors to express its opinion in favor of the Tender Offer, to recommend that the Company's shareholders tender their shares

in the Tender Offer, and to leave the decision as to whether or not to tender in the Tender Offer to the holders of the Company's Stock Acquisition Rights (the "**Company's Stock Acquisition Right Holders**").

Part 3 Process Leading to the Special Committee's Conclusions

1 Background to establishment of the Special Committee

(1) Background to establishment of the Special Committee, its authority and independence of its members

A Submission of the Letter of Intent by the Offeror

The Company and the Offeror entered into the business alliance agreement dated May 12, 2020 (the "**Business Alliance Agreement**") with the aim of strengthening cooperation in the aspects of both human resources and services, and of differentiating themselves from other companies by effectively leveraging each other's strengths and capital resources in their businesses, thereby enhancing the corporate value together.

Under such circumstances, following an approach from Mr. Shimomura in early June 2026 regarding discussions on the sale of the Company's issued shares held by him, the Offeror commenced concrete discussions regarding the direction of the Company's capital policy, including the option of making the Company a wholly-owned subsidiary of the Offeror.

Furthermore, in order to achieve business growth while continuing to provide highly satisfactory solutions that meet various needs in the healthcare business field, the Offeror considers that it is necessary to further strengthen operational collaboration between the Offeror Group and the group companies consisting of the Company and its consolidated subsidiaries (the "**Company Group**"), and thus, in or around mid-July 2026, it came to consider making the Company a wholly-owned subsidiary of the Offeror.

Subsequently, in the course of the above deliberations, the Offeror concluded that under the existing capital and business alliance structure, the Company remained only an equity-method affiliate of the Offeror, and, from the perspective of consideration for general shareholders and other factors, mutual collaboration was inevitably subject to certain constraints, and therefore, synergies could not be fully realized. Accordingly, for the purpose of removing such constraints and realizing sufficient synergies, on August 31, 2026, the Offeror submitted to the Company a letter of intent concerning the implementation of the Transaction (hereinafter simply the "**Letter of Intent**").

B Appointment of third-party valuator and advisor

Following the receipt of the Letter of Intent, in order to ensure the fairness of the Transaction, on September 3, 2026, the Company appointed Nomura Securities Co., Ltd.

("**Nomura Securities**") as its financial advisor and third-party valuator, and Anderson Mori & Tomotsune ("**AMT**") as its legal advisor.

Mr. Shimomura did not participate in the deliberations or resolutions of the board of directors regarding the above appointments, as he is a major shareholder of the Company and may tender in the Tender Offer, and Mr. Kenji Nishikado ("**Mr. Nishikado**"), the Company's outside director, did not participate in such deliberations or resolutions, as he is a former employee of the Offeror and also concurrently serves as a director of a company belonging to the Offeror Group.

C Establishment of the Special Committee and appointment of its members

As of today, the Offeror indirectly owns 9,600,000 shares of the Company's Stock listed on the TSE Prime Market (shareholding ratio: 29.33%) through STK, a wholly-owned subsidiary of the Offeror, and the Company is an equity-method affiliate of the Offeror. Accordingly, because the Offeror constitutes a "parent company of an other associated company" of the Company, the Tender Offer falls within a "takeover bid from a controlling shareholder, other associated company, or other entity specified by the Enforcement Rules" (limited to cases where the stock, etc. issued by said listed company is likely to be delisted due to said takeover bid, said action, or the series of actions scheduled to be conducted after said takeover bid; Rule 441, paragraph 1, item (2) of the TSE Securities Listing Regulations, and Rule 436-3, paragraph 3, item (5) of the Enforcement Rules for the TSE Securities Listing Regulations), and the "Matters to be Observed Pertaining to MBOs, etc." prescribed in the same article apply.

Accordingly, in light of such circumstances and from the perspectives of ensuring the fairness of the purchase price in the Tender Offer proposed by the Offeror (hereinafter, the purchase price per share of the Company's Stock shall be referred to as the "**Tender Offer Price**," and the purchase price per Company's Stock Acquisition Right shall be referred to as the "**Stock Acquisition Right Purchase Price**"), eliminating arbitrariness from the decision-making process leading to the determination to implement the Tender Offer, and avoiding conflicts of interest, the Company resolved at its board of directors meeting held on September 3, 2026 to establish a special committee composed of outside directors, an outside Audit & Supervisory Board Member, and an external expert, each of whom is independent of the Offeror Group, Mr. Shimomura, and the outcome of the Transaction, from the perspective of constituting the Special Committee with an appropriate size while ensuring the balance between knowledge, experience, and capabilities of the Special Committee as a whole, in order to ensure the fairness of the Transaction including the Tender Offer, and also resolved to consult the Special Committee on the Consultation Matters. Although Mr. Yukihiko Koshimoto, the external expert, is not an officer of the Company,

considering the knowledge, experience, and capabilities of the outside Audit & Supervisory Board Member and outside directors of the Company who were expected to be appointed as members of the Special Committee, in order to supplement legal expertise, the Company, after being introduced to several candidates from AMT, requested him to serve as a member of the Special Committee as an external expert, taking into account that he has for many years been engaged in duties relating to M&A transactions, including those similar to the Transaction, and has extensive experience and knowledge as an expert cultivated through his career.

Furthermore, on the same day, the aforementioned two outside directors, one outside Audit & Supervisory Board Member, and one external expert (attorney-at-law), who are members of the Special Committee, accepted appointment as members of the Special Committee and agreed to form the Special Committee.

Accordingly, the Special Committee was involved from the initial stage of the deliberation process of the terms and conditions of the Transaction. Mr. Shimomura and Mr. Nishikado did not participate in the deliberations or resolutions of such board of directors meeting.

In addition, the Company's board of directors also resolved to grant the Special Committee the authority to: (i)the authority to appoint or approve (including subsequent approvals) experts such as the financial advisor, third-party valuator, and legal advisor of the Company (the "**Advisors, etc.**"), (ii)upon deliberating the Consultation Matters, the authority to appoint its own Advisors, etc. if the Special Committee deems it necessary (the Special Committee is authorized to seek expert advice from the Company's Advisors, etc. if the Special Committee deems that the Company's Advisors, etc. have a high level of expertise and there is no issue with their independence, and it may therefore rely on the Company's Advisors, etc. for their expert advice. In addition, reasonable expenses relating to expert advice from the Advisors, etc. of the Special Committee shall be borne by the Company.), (iii)the authority to receive from the Company's officers and employees and other persons deemed necessary by the Special Committee any information necessary for the deliberation and determination of the Transaction, and (d)by confirming in advance the policy with respect to negotiations concerning the terms and conditions of the Transaction, receiving timely reports on the status of such negotiations, expressing opinions in material situations, and issuing directions or requests, the authority to substantially participate in the negotiation process regarding the terms and conditions of the Transaction and to conduct direct negotiations itself as necessary. Furthermore, the Company's board of directors also resolved that the Company's decision-making with respect to the Transaction shall be conducted with the utmost respect to the content of the Special Committee's determinations, and that, if the Special Committee determines that the implementation of the Transaction or

the terms and conditions of the Transaction are not appropriate, the Company's board of directors will not to support the Transaction on such terms and conditions.

The Company selected the above four persons as members of the Special Committee from the time of its establishment, and there has been no change in the members of the Special Committee. The remuneration of the members of the Special Committee consists solely of fixed remuneration payable regardless of the contents of this Report, and does not include a success fee that is conditional upon, among other things, the consummation of the Transaction.

D Establishment of independent deliberation structure within the Company

Under the Companies Act, "directors with a special interest" are not permitted to participate in the vote on a resolution of the Company's board of directors determining whether to approve or oppose the Transaction. However, from the perspective of eliminating the impact of structural conflicts of interest in the process of forming the terms and conditions of a transaction, it is considered appropriate, from the viewpoint of procedural fairness, for the Company to establish an internal structure that enables deliberations, negotiations, and other actions to be conducted from a position as independent as possible from the Offeror, by, for example, excluding directors and others with certain interests, including "directors with a special interest," from the Company's deliberation and negotiation process, depending on the specific circumstances of the Transaction, not only at the stage of the above board of directors resolution but also from the preceding deliberation and negotiation stages.

Accordingly, the Company excluded Mr. Shimomura and Mr. Nishikado, who could be deemed to have a special interest in the consummation of the Transaction, from its internal deliberation structure responsible for the deliberation, negotiation, and determination of the Transaction, and designated Mr. Yoshihiko Maeda, Director, and Mr. Keita Endo, Executive Officer, neither of whom concurrently serves as, nor has previously served as, an officer or employee of any company in the Offeror Group (collectively, the "**Company's Personnel**"), as the Company's main personnel in charge of the Transaction, to act as the contact persons for negotiations with the Offeror and for the Special Committee. At the board of directors meeting held on September 3, 2026, the Company resolved to establish an independent deliberation structure excluding interested directors as its internal deliberation structure for the Transaction.

Mr. Shimomura and Mr. Nishikado did not participate in the deliberations and resolutions of the said board of directors meeting.

(2) Development of the Company's deliberation structure and approval of each advisor

As stated above, the Company's Personnel neither concurrently serve as, nor have previously

served as, officers or employees of the Offeror Group, and do not have any interest in the outcome of the Transaction, and therefore, they are deemed to be independent from the Offeror and from the outcome of the Transaction.

Next, the Company's third-party valuator and financial advisor is Nomura Securities, which has extensive experience in share valuation and M&A transactions similar to the Transaction, and there is no issue with its expertise. It has also been confirmed that there is no issue with its independence, as neither Nomura Securities nor its members in charge of this matter falls under a related party of the Interested Parties, and neither has any material interest in the outcome of the Transaction that differs from that of the general shareholders. Although the remuneration of Nomura Securities includes a success fee payable subject to the consummation of the Transaction, in light of the prevailing practices regarding remuneration structures for financial advisors in similar transactions, the mere fact that such remuneration structure is adopted does not negate its independence.

In addition, the Company's legal advisor is AMT, which has extensive experience in M&A transactions, and there is no issue with its expertise. It has also been confirmed that there is no issue with its independence, as neither AMT nor its members in charge of this matter falls under a related party of the Interested Parties, and neither has any material interest in the outcome of the Transaction that differs from that of the general shareholders. AMT's remuneration consists solely of hourly fees and does not include a success fee that is conditional upon, among other things, the consummation of the Transaction.

Based on the foregoing, the Special Committee acknowledged, in addition to the independence of the Company's deliberation structure, the independence and expertise of Nomura Securities and AMT as described above, approved each advisor as the Company's advisor, and, after confirming that the Special Committee may also receive professional advice from Nomura Securities and AMT as necessary, decided not to appoint its own external Advisors, etc.

2 Meetings of the Special Committee

The Special Committee met as follows. The Special Committee was convened a total of 15 times during the period from September 9, 2026 to November 6, 2026, and also conducted discussions and examinations concerning the Consultation Matters between meetings by, among other things, exchanging reports and information, deliberating, and making decisions via email. In addition, the Special Committee was substantively involved in the negotiation process relating to the Transaction between the Company and the Offeror, including by expressing its views on multiple occasions.

The specific details of such discussions and examinations are as follows:

(1) On September 10, 2026, the Special Committee sent the Company written questions concerning the Company's business environment and management issues, the significance and purpose of the Transaction (including the details of the synergies that cannot be realized through the Business Alliance Agreement), the extent to which the Transaction is expected to enhance corporate value and the advantages and disadvantages of the Transaction, and the Company's views on the Offeror's proposal (including the synergies expected from the Transaction, the management policy after the Transaction, and the scheme of the Transaction). After receiving written responses on September 16, 2026, the Special Committee conducted question-and-answer sessions in interview form on September 17, 2026.

(2) On September 15 and 28, 2026, the Special Committee sent the Offeror written questions concerning the background to and purpose of the Tender Offer; its understanding of the Company's management issues; the current status of the partnership with the Company; the impact of the Tender Offer on the Company's corporate value; the management policy following the Tender Offer (including the policy on holding the Company's Stocks, the business operation policy, the treatment of the Company's officers and employees, and the governance structure); the merits and demerits of the Tender Offer; the scheme for the Tender Offer; and other related matters. After receiving written responses on October 5, 2026, the Special Committee conducted question-and-answer sessions in interview form on October 9, 2026.

(3) On September 25, 2026, the Special Committee received explanations from the Company's Personnel regarding the business plan, including its content, material assumptions and process of preparation (including that, in the process of preparing the business plan, there had been no improper involvement or other undue influence by any interested party for the purpose of advancing the Transaction in a manner favorable to the Interested Parties), and confirmed the reasonableness of, and approved, these matters.

(4) After receiving the Letter of Intent relating to the Transaction from the Offeror, the Special Committee received timely reports from the Company's Personnel on the background, progress and details of the discussions and negotiations relating to the Transaction between the Offeror and the Company, and also submitted written questions to, and engaged in negotiations with, the Offeror through the Company.

In addition, based on financial advice, including Nomura Securities' preliminary results of the share valuation of the Company's Stock and the policy for negotiations with the Offeror, as well as legal advice from AMT regarding measures to ensure the fairness of the procedures in the Transaction, the Special Committee met as appropriate to discuss the negotiation policy and related matters. Until an agreement on the Tender Offer Price was reached with the Offeror on November 6, 2026, the Special Committee was substantively

involved in the negotiation process with the Offeror, including by asking questions and receiving responses on multiple occasions regarding the Offeror's views on the Tender Offer Price, and by conducting negotiations through the Company to increase the Tender Offer Price.

(5) On multiple occasions, the Special Committee received explanations regarding the contents of each draft of the Company's press release and opinion statement report to be publicly announced or filed by the Company, as well as the draft tender offer registration statement relating to the Tender Offer to be filed by the Offeror. The Special Committee confirmed the contents of the disclosures that each party planned to make with the advice of its respective advisors, and confirmed that important information had been provided that would assist general shareholders in determining the reasonableness of the transaction terms and other matters.

(6) The Special Committee received explanations from Nomura Securities regarding the preliminary results of the share valuation of the Company's Stock, as well as the methods used to calculate the value of the Company's Stock, the reasons for selecting those methods, the details of the calculations under each method, and the material assumptions. The Special Committee then engaged in question-and-answer sessions and conducted deliberations and examinations, and confirmed the reasonableness of these matters.

3 Assumptions

This Report is based on the following assumptions. The Special Committee has not conducted any special investigation or verification as to the truthfulness or accuracy of these assumptions.

(1) The information disclosed to the Special Committee by the Company, the Offeror or any of the advisors, the contents of documents provided as drafts or proposals, and any other information obtained by the Special Committee in the course of considering the Consultation Matters are true and accurate, and with respect to the portions thereof that may affect the conclusions of this Report, no changes have occurred as of the date of this Report.

(2) All procedures necessary for the implementation of the Transaction will be lawfully and validly carried out by the Company and the Offeror.

Part 4 Reasons for the Special Committee's Conclusions

1 Consultation Matter (1) (Whether the purpose of the Transaction is reasonable (including whether the Transaction will contribute to the enhancement of the Company's corporate value))

(1) Background, purposes and decision-making process leading to implementation of the

Transaction by the Offeror

A Current status of the Offeror and the Company, and background and circumstances leading to the proposal of the Transaction

(A) Current status of the Offeror

According to the Offeror, it was incorporated in August 1992 as SHIP CORPORATION for the purpose of conducting a consulting business for medical, health and welfare facilities. The Offeror had its stock listed on the Second Section of TSE in February 2005 and subsequently transferred to the First Section of TSE in March 2007. In October 2009, it transferred its business by way of an absorption-type company split to SHIP HEALTHCARE HOLDINGS, INC. (currently known as GREEN HOSPITAL SUPPLY, INC.), which was incorporated in May 2009, changed the tradename of the Offeror to SHIP HEALTHCARE HOLDINGS, INC. and transitioned to a holding company structure. As a result of the market restructuring by TSE in April 2022, the Offeror's stock is listed on the TSE Prime Market as of today.

According to the Offeror, as of today, the Offeror Group consists of the Offeror, 50 consolidated subsidiaries and 5 equity-method affiliates. Under its management philosophy of "SHIP" (Sincere, Humanity, Innovation and PartnerSHIP), the Offeror Group has established its group mission "Creating environments for medical professionals" and has determined the medical, health, welfare, nursing care and services fields as its business domains. It is currently active in these domains operating the following core businesses: Total Pack Produce Business (including the collective sale on order and maintenance of medical devices and facilities, consulting relating to medical, health, welfare and nursing care facilities, and real estate leasing to medical institutions); Medical Supply Business (sale of diagnostical materials and medical devices); Lifecare Business (operation of retirement homes and group homes, meal services, and rehabilitation support services); and Dispensing Pharmacy Business (operation of dispensing pharmacies).

According to the Offeror, the Offeror Group, as a whole group, offers one-stop solutions for a broad range of needs across the healthcare business domain, including sale of medical consumables and operation of retirement homes, other nursing care facilities, and dispensing pharmacies, with a focus on establishment of hospitals through "Total Pack Produce", which provides comprehensive engineering of infrastructures for medical institutions.

According to the Offeror, the medical industry in which the Offeror Group operates faces a growing demand for medical care as the population is aging against the backdrop of the so-called "Problem 2025" [3], whereas the business environment for medical institutions is becoming

[3] According to the Offeror, the "Problem 2025" refers to the various problems that may have a serious impact on the social security and the economy as the baby boomers (people born from 1947 to 1949) all become "late-stage elderly," which means people at the age of 75 or older, resulting in a super-aged society in which approximately one in five people in Japan is late-stage elderly. In the medical industry, this is expected to result in difficulties in maintaining the operations because there will not be enough workforce to meet an increasing demand for services.

increasingly challenging due to a serious labor shortage, rising labor costs and increases in operating expenses, including utility costs. Key challenges include promoting digital transformation with AI and ICT, and addressing work-style reforms for medical professionals, in order to establish an efficient and high-quality medical care system.

According to the Offeror, overseas as well, there are persisting concerns regarding rising prices, including increases in energy prices, raw material prices and logistics costs, and a contraction in orders received due to difficulties in procurement of electronic components, against the backdrop of the higher U.S. tariffs, the prolonged Russia-Ukraine situation and tensions in the Middle East.

According to the Offeror, despite such circumstances, the Offeror Group has expanded its business in accordance with its consistent policies since its foundation. Building on its policy focusing on growth including international expansion, it has strived to further enhance its corporate value by working on efficient use of assets, improvement in the balance of interest-bearing debts and assets, strengthening of its financial position, and management of its business with a focus on cash flow.

(B) Current status of the Company

The Company was incorporated as Fuji Clinic Laboratory Co., Ltd. in Matsubara-shi, Osaka, Japan in August 1984 and commenced clinical examination subcontractor business. In February 2000, it changed its tradename to Ai Life Co., Ltd. and entered long-term care business. The Company opened its first fee-based long-term care retirement home, "Charm Yamato Koriyama" in Yamato Koriyama-shi, Nara, in April 2005, and changed its tradename from Ai Life Co., Ltd.to Charm Care Corporation in December 2007 and remains the same as of today. The Company's Stock was listed on the JASDAQ of Osaka Exchange, Inc. (as at the relevant time) in April 2012, and then transferred to the TSE Second Section in March 2018, transferred to the First Section of TSE in December 2018, and subsequently, following the market restructuring by TSE in April 2022, transferred from the First Section of TSE to the Prime Market of TSE, where it is traded at present. As of today, the Company Group consists of the Company and its 3 consolidated subsidiaries is primarily engaged in providing long-term care services covered by the Long-Term Care Insurance Act to elderly people who have been qualified as a condition of need for long-term care or a needed support condition under the Long-Term Care Insurance Act at fee-based retirement homes. Under its corporate philosophy of "senior living services at the core, respecting each customer's values and proposing attractive lifestyles tailored to each customer," the Company opened a fee-based long-term care retirement home (Daily Life Long-Term Care Admitted to a Specified Facility) in April 2005, and since then, has operated 119 homes and 8,025 rooms in the Kinki and Tokyo metropolitan areas (as of today). Going forward, the Company aims to continue to make the most of the skills and experience it has developed to date and keep demonstrating a spirit of challenge and creativity, thereby contributing to the creation of a "prosperous and fulfilling aging society" in

which elderly people can live with a peace of mind.

(C) Circumstances and background leading to the Offeror's decision to implement the Transaction

Although the Offeror has strengthened its collaboration with the Company pursuant to the Business Alliance Agreement, as long as the Company remains an equity-method affiliate of the Offeror, the items of the Company's financial statements, such as sales, profits, assets and liabilities, are not directly reflected in the corresponding items of the Offeror's financial statements, and only the portion of the Company's net income corresponding to the Offeror's equity interest in the Company's Stock is reflected in the Offeror's consolidated financial results. Accordingly, even if the Offeror invests management resources in the Company, it cannot enjoy the benefits of the enhanced corporate value of the Company commensurate with such investment (it can only enjoy the portion of the Company's net income corresponding to its equity interest in the Company's Stock), and from the perspective of accountability to the Offeror's shareholders, it is difficult for the Offeror to make large-scale investments of management resources from a medium-to long-term perspective; thus, there are limitations in deepening the collaboration with the Company and enhancing corporate value in an integrated manner. In addition, from the perspective of the need to give consideration to the Company's general shareholders, there are unavoidably certain restrictions on the mutual utilization of management resources and integrated and swift decision-making, and it has been difficult to fully pursue the maximization of synergies under the Business Alliance Agreement.

Accordingly, the Special Committee was informed that the Offeror decided to implement the Transaction based on the view that, by further deepening the cooperative relationship between the two companies through the further promotion of their business alliance, it would be able to promote business expansion and operational efficiency for both the Offeror Group and the Company Group.

(D) The current status of the Offeror and the Company, and the background and circumstances leading to the proposal of the Transaction, are as described above, and no particularly unreasonable points are found.

B Decision-making process leading to proposal of the Transaction by the Offeror

The Offeror formally began full-scale consideration of the Transaction in early June 2026, the Offeror was approached by Mr. Shimomura regarding the sale of the Company's Stock held by him, which triggered specific discussions between the Offeror and Mr. Shimomura regarding the Company's capital policy, including the option of making the Company a wholly-owned subsidiary of the Offeror. The Offeror considered that, in order to achieve business growth while continuing to provide highly satisfactory solutions that meet all needs in the healthcare business domain, it is necessary to further strengthen the business collaboration between the Offeror

Group and the Company Group, and around mid-July 2026, began considering making the Company a wholly-owned subsidiary of the Offeror.

The Special Committee was informed that, on July 17, 2026, the Offeror informed the Company of its intention to commence discussions regarding making the Company a wholly owned subsidiary, began considering specific methods and the terms and conditions of the Tender Offer, selected advisors independent from the Offeror and the Company on August 28. The Offeror then submitted to the Company on August 31, 2026, a non-binding letter of intent concerning the Transaction.

The background to the Offeror's proposal of the Transaction is as described above, and no particularly unreasonable points are found in the process leading to that proposal, either.

(2) Measures to improve corporate value after the Transaction, benefits arising from the Transaction, and management policies after the Transaction, etc.

A Measures to improve corporate value after the Transaction and benefits arising from the Transaction

(A) The Special Committee was informed that, with respect to the enhancement of the Company's corporate value (synergies) through the Transaction, the Offeror expects to implement the following measures and other initiatives and to realize their effects:

(i) Accelerating New Facility Openings and Expanding Business Areas by Strengthening the Development Structure and Sharing Property Information

According to the Offeror, the Offeror Group operates and supports retirement homes (including fee-based long-term care retirement homes, group homes, small-scale multifunctional facilities, etc.; the same shall apply hereinafter) as its Life Care Business.

On the other hand, according to the Offeror, the Offeror considers that the Company Group, given its history of operating retirement homes as its nursing care business and conducting real estate development business mainly targeting healthcare properties, has one-stop capabilities and know-how covering everything from land acquisition to development and facility operation.

According to the Offeror, although the Offeror and the Company have been promoting their business alliance since the conclusion of the Business Alliance Agreement 2020, as the Company remains an equity-method affiliate and each company formulates its development policy and investment plans independently, there have been certain limitations on collaboration in sharing property information and considering development projects. After the Transaction, as a wholly-owned parent-subsidiary relationship will be formed between the Offeror and the Company, the Offeror will consider sharing more broadly the property information, expertise in facility development and networks with business partners, etc. held by the two companies, and building a structure for collaboration from the stage of formulating development policies and investment plans. The Offeror considers that this will enable an appropriate allocation of roles in development

projects based on both companies' facilities portfolios, locations, price ranges, and other relevant factors, leading to the expansion of opportunities for new retirement home openings in both the Offeror Group and the Company Group through effective utilization of property information and more efficient project review.

In addition, according to the Offeror, the Offeror considers that incorporating the Company Group through the Tender Offer will increase the business scale of the Offeror Group including the Company Group and its market share in the retirement home industry, thereby improving its position in the industry, which will enable further business expansion of the retirement home business through M&A and other means.

(ii) Development of Services to Meet Diverse Customer Needs

According to the Offeror, the Offeror Group and the Company Group differ in terms of the locations, price ranges and characteristics of the retirement homes they operate, and the Offeror considers that the facility portfolios of both groups complement each other. After the Transaction, the Offeror will consider building a structure in which both groups share their respective facility information, expertise in occupancy consultation and sales and public relations know-how, and provide information on appropriate options in accordance with the preferences, levels of required nursing care, medical and nursing care needs, price ranges, desired areas, etc. of persons considering moving in. The Offeror considers that this will contribute to promoting occupancy through enhanced capabilities to respond to occupancy consultations and strengthened customer touchpoints, leveraging the complementary nature of the two groups' facility portfolios.

(iii) Mutual Use of Products and Services and Sharing of Operational Know-how

According to the Offeror, the Offeror Group and the Company Group have already been working on, among others, the introduction of nursing care bathtubs and provision of meals by the Offeror Group at some of the Company Group's facilities. However, at present, such initiatives are limited to individual products and services and certain facilities. After the Transaction, the Offeror will individually consider the possibility of expanding the use of products and services that contribute to improving facility operations and service quality, taking into account the quality of services provided by the Company Group, existing business relationships, and economic rationality. In addition, the Offeror considers that sharing the practical know-how of the two groups in areas such as dispensing pharmacies, meal services, selection and maintenance of nursing care equipment, and operational efficiency of facility operations will contribute to both maintaining and improving service quality and enhancing operational efficiency.

(iv) Enhancing Recruitment Capabilities and Retention Rates by Sharing Recruitment and Training Platforms

According to the Offeror, after the Transaction, the Offeror will consider establishing a common group platform for recruitment, acceptance and development of human resources including foreign

personnel, by utilizing the expertise and systems held by each of the Offeror Group and the Company Group with respect to recruitment channels, structures for accepting foreign personnel, and training and qualification acquisition support. The Offeror considers that this will expand recruitment channels and increase opportunities for human resource development, thereby contributing to strengthening recruitment capabilities and staff retention.

(B) The synergies that the Company expects to realize through the Transaction are as follows:

(i) Securing and retention of nursing care workers

In the industry of nursing care to which the Company belongs, the jobs to applications ratio for nursing care jobs remains at a high level that substantially exceeds the average for all job types, and a shortage of the number of nursing care workers associated with a decline in the population of productive ages is believed to continue to accelerate.

Under such environment of the industry, the Company has implemented measures including introduction of the selective four-day work week system, and approximately 70% of the Company's nursing care workers have selected the relevant system to date. Through such action, the Company achieved results that went beyond its anticipation in its recruiting activity conducted in April, 2026 and in April, 2027. However, in order to deal with a worsening decline in the population of productive age, the Company believes it necessary to consider actions that shall go beyond individual efforts.

Specifically, after the Transaction, strengthening of the Company's capability of recruitment may be expected by utilizing the company size or credibility or broad network of recruitment of the Offeror Group. In addition to the coordination in a recruitment activity for domestic and international nursing care workers or development of human resources, promotion of sharing of know-how for education and training within the Offeror Group and people-to-people exchange are to enable the Company to seek enhancement of its employees' expertise and expansion of opportunities for their career development. Through such actions, the Company shall seek stable securing of nursing care workers and improvement of the rate of retention, thereby strengthening the foundation of human resources who support a sustainable growth of the Company's business.

(ii) Promotion of new establishment of retirement homes

By combining the know-how cultivated by the Company for new establishment of fee-based retirement homes providing nursing care services and a wealth of past records or development network relating to new establishment and transferring of medical institutions held by the Offeror Group, an expansion of opportunities for establishment of new retirement homes may be expected. Particularly, sharing and utilization of information on the development of medical institutions held by the Offeror Group or information on promising lands and properties shall contribute to securing superior sites for establishment or creating development cases. In addition, an expansion of the know-how for the dominant expansion cultivated by the Company, mainly in the area around Tokyo

and the Kinki region into other regions where the Offeror has its business foundation shall enable the Company to advance into new areas and to promote efficient expansion of its business. Even when expanding beyond the Tokyo metropolitan and Kinki areas, collaboration with the Offeror Group will provide a foothold for understanding local characteristics in new regions, developing sales strategies, and building relationships with local medical institutions and business partners, among other things, and the Company's growth strategy expects to continue to accelerate.

(iii) Maintaining and increasing occupancy ratio

By utilizing a extensive network of medical institutions held by the Offeror Group and seeking to enhance awareness of the Company's retirement homes to elderly people who need residence to live in after being discharged from hospitals and their families, an increase in opportunities for introducing residence may be expected and a maintenance of and increase in a stable occupancy ratio is also believed to be expected. In addition, taking advantage of expertise and network in the medical field held by the Offeror Group and strengthening the coordination system with medical institutions is to enable a promotion of providing a safe and secure life environment and high-quality services to residents. Particularly, in the Company's luxury brand, by increasing the service value through enhancement of medical coordination (providing a medical environment capable of responding immediately to sudden changes in users' conditions, strengthening arrangements for accepting users, and providing a sense of security by reducing accidents and other incidents at nursing care facilities, among other things) and differentiating the Company from other companies, a further enhancement of the competitiveness and brand value of the Company's retirement homes may be expected.

(iv) Mutual use of provided products and services

By utilizing the procurement network for medical and nursing care related equipment or the business of meal services held by the Offeror Group, the Company may benefit from economies of scale through joint procurement of equipment, consumables or devices, etc. or mutual use of meal services, by which the operation cost of the Company's retirement homes may be reduced. In addition, with respect to the work efficiency by utilizing AI and ICT or the DX policy in sites where nursing cares are provided which the Company has taken a leading role in addressing, promotion of sharing of know-how with the Offeror Group or mutual use of systems is believed to enable the Company to seek a further sophistication and efficiency. Through such actions, reduction of burden of operations or optimization of personnel distribution shall be promoted while the quality of nursing care services is maintained and enhanced, and a further enhancement of the profitability and efficiency of operation, which, in turn, enhance competitiveness of the Company may be expected.

(C) The synergies and measures to enhance corporate value that the Company and the Offeror envisage through the Transaction are as described above, and each of those measures does

not impair the Company's strengths, namely, its dominant strategy in the Tokyo metropolitan and Kinki areas, its operational know-how and brand value based on its long track record, its improved productivity through the proactive introduction of DX and nursing care technology, and its ability to open new facilities quickly (as discussed below). Rather, those measures are intended to realize synergies while leveraging these strengths, and are therefore considered reasonable.

Although a certain collaborative relationship already exists between the Company and the Offeror, under the current limited capital relationship, there remain constraints, due to the need to give consideration to the shareholders of the Offeror and the minority shareholders of the Company, on the medium- to long-term investment of management resources in the Company without being unduly influenced by short-term fluctuations in business performance, as well as on deepening collaboration with the Company and enhancing corporate value in an integrated manner. As a result, those synergies have either not been realized or have not been sufficiently realized. However, making the Company a wholly owned subsidiary will make it possible to realize those synergies without such constraints.

Accordingly, it is reasonably considered that, if the Transaction is implemented, the Company will become a wholly owned subsidiary of the Offeror, and the above measures to enhance corporate value will be implemented, thereby contributing to the enhancement of the Company's corporate value.

B Management policies after the Transaction

(A) According to the Offeror, its views on the management policy after the Transaction are as follows:

(I) Business policy

The Company will be positioned as the core company of the Offeror Group in the nursing care and healthcare domain, and the Offeror Group will pursue a policy of expanding its nursing care business. While respecting the Company's brand and current business operation policy, the Offeror will support the Company's judgment on matters relating to on-site operations so as to ensure continuity, and will promptly establish a framework for collaboration between the Company and the relevant business divisions of the Offeror Group and provide active support.

In addition, under the Offeror Group's medium-term management plan, the Offeror Group intends to allocate approximately JPY 60.0 billion to JPY 80.0 billion in cumulative growth investments over five years for capital expenditures, M&A investments, investments in human capital and the like, and, with respect to investments in the opening of new facilities by the Company Group after the Transaction, the Offeror Group's policy is to respect the Company's development plan, incorporate it into the

Offeror Group's investment plan, and provide the necessary funds in a stable manner.

Because the Offeror recognizes that the Company's brand is a source of trust among residents and their families and of recruitment appeal, and therefore is also of significant value to the Offeror Group as well, the Offeror contemplates maintaining the Company's trade name and brand after the Transaction.

(II) Involvement in the management structure and related matters

The Offeror will respect the Company's current management structure and business operation structure, give due consideration to the autonomy of its business operations and the continuity of on-site operations, and determine, in consultation with the Company's management, any necessary changes to the organizational structure, management framework and other matters resulting from making the Company a wholly owned subsidiary and its delisting.

Officers and employees will, in principle, be retained, and any dispatch of directors from the Offeror will be determined through consultation on the premise that, while giving due consideration to the autonomy of business operations, it will be limited to the extent necessary to ensure governance within a listed company group and promote collaboration. In addition, the Offeror's policy is to respect the continued existence of the Company's labor union and the framework for labor-management consultations after the Transaction, and it does not contemplate changing the treatment of the union or the terms of the collective bargaining agreement by reason of the Transaction. After the announcement of the Transaction, it plans to carefully explain the Offeror's views, as necessary.

As for the Company's employee shareholding association, because the current framework cannot be maintained following the delisting, appropriate measures will be considered in consultation with the Company, including with respect to the treatment of contributed interests, so that participating employees will not be disadvantaged

(III) Policy for ensuring prompt decision-making

The basic policy is to respect to the fullest extent possible the current decision-making structure of the Company Group and the agility of its on-site operations, and, in order to ensure the ability to open new facilities quickly, the important practical operations currently implemented by the Company—including operations under which, based on approval through the CEO's internal authorization process, authority is delegated to responsible personnel to execute agreements for securing development properties (provided, however, that such agreements are subject to approval by the board of directors, which is the final decision-making body, and, for projects above a certain size, to approval by the Offeror, which will become the parent company after the Transaction), as well as

the flexible convening of extraordinary meetings of the board of directors as necessary in addition to the regular monthly meetings of the board of directors, the holding of real estate meetings twice a month, and the continuous sharing of information regarding development projects—will, in principle, be maintained.

In addition, after the Transaction, the Offeror will become the parent company of the Company and therefore will need to appropriately understand the status of important matters and development projects of the Company Group. Accordingly, prior explanations and progress reports will need to be provided at the management meetings that the Offeror, in principle, holds once every two weeks. However, this is not intended to require the Offeror's prior approval for each individual matter, but rather is intended for information sharing across the group as a whole and for ensuring governance. In addition, so as not to hinder the promptness of the Company Group's day-to-day business execution or decisions on land acquisition, it is not contemplated that the Offeror's current approval authority will be applied uniformly, and such matters will instead be adjusted gradually through consultation between the two companies.

(B) As described above, the business policy and policy for involvement in the management structure and related matters that the Offeror contemplates after the Transaction are both considered reasonable, as they respect the Company Group's existing business policy and the continued involvement of its officers and employees, while also giving due consideration to ensuring the promptness of decision-making, which is one of the Company's strengths in opening new facilities.

(3) Whether and to what extent there are concerns regarding dissynergies resulting from the Transaction

A The Transaction is intended for the Offeror to acquire all shares of the Company's Stock to make the Company its wholly-owned subsidiary, and will result in the outstanding shares of the Company's Stock being delisted.

As a result of the Company being delisted, the following dissynergies ("Dissynergies") are generally anticipated; however, the Company and the Offeror believe that there would be limited or no impact of the Dissynergies as explained below:

(I) Slower decision-making

The Company has, through prompt decision-making, secured appropriate real estate in a timely manner and achieved new facility openings; however, there is a concern that, as the Offeror becomes the parent company, the Offeror may become involved in the decision-making process, thereby slowing decision-making.

Nevertheless, as described in "Part 4" – "1" – "(2)" – "B" – "(A)" – "(III)" above, it is

anticipated that the Offeror will respect the Company's existing decision-making practice to allow the Company to maintain and continue its current operation and that the Offeror will give certain consideration in applying the Offeror Group's current rules on approval decisions; therefore, there should be no or limited concern about slower decision-making at the Company.

(II) Concern about recruitment and employee retention

The Company has good name recognition and brand value as a listed company whose outstanding common stock is listed on the TSE Prime Market and it is generally concerned that such name recognition and brand value as a listed company would be lost due to delisting as a result of the Transaction, affecting recruitment and employee retention. However, the Company has operated its business with a lean workforce of highly capable personnel, and as a result, some know-how has, in particular, become concentrated in officers and employees who have played a central role in business operations, such that if such concern turned into reality, the departure of such personnel might have a certain impact on the business.

Nevertheless, the Offeror is also a listed company whose outstanding common stock is listed on the TSE Prime Market, the business domains and revenues of the Offeror Group are larger than those of the Company group, and as described in "Part 4" – "1" – "(2)" – "B" – "(A)" – "(I)" above, the Company's tradename and brand will remain unchanged and continue following the Transaction. Accordingly, there should be no or limited impact of the Transaction on the name recognition and brand value of the Company.

Also as described in "Part 4" – "1" – "(2)" – "B" – "(A)" – "(II)" above, the current employment of officers and employees will be maintained, with no disadvantageous changes to their employment conditions or treatment, and it is thus implausible that the departure of personnel will make it difficult to operate the business.

Furthermore, as described in "Part 4" – "1" – "(2)" – "B" – "(A)" – "(I)" above, according to the Offeror, it intends to position the Company as the core company of the Offeror Group in the nursing care and healthcare domain, and the Company is therefore expected to focus even more on the nursing care business, its main business, and as a result of becoming part of the Offeror Group, its external credibility and brand value are expected to be improved. From the viewpoint of maintaining the motivation of officers and employees as well, no risk of the departure of personnel is likely.

In addition, sharing know-how with the Offeror Group is, rather, expected to improve the recruitment capability.

(III). Decrease in financing capacity

In general, as a result of the delisting associated with the implementation of the

Transaction, it may become difficult to raise funds from the capital markets.

However, since the Company has not raised funds since 2019, relying instead on its own funds and borrowings from financial institutions and expects no need for equity finance in the near future, the Company has little need for financing.

Also as described in "Part 4" – "1" – "(2)" – "B" – "(A)" – "(I)" above, according to the Offeror, the Offeror Group intends to respect the Company's development plans with respect to investment by the Company Group in openings of new facilities after the Transaction as well and to incorporate the plans in the Offeror Group's investment plan and stably supply necessary funds

Accordingly, after the Transaction, the Company will be able to stably secure necessary funds through the Offeror Group's financial foundation and relationships with financial institutions, and the constraints on the financing aspect are, rather, reasonably deemed to be relieved; therefore, no dissynergy is found in the Transaction.

(IV) Decline in governance discipline and weakening of compliance system

In general, as the Company will no longer be a listed company, opportunities for external oversight will decrease and there may be concerns about decline in the governance discipline and weakening of the compliance system.

However, as explained above, the Offeror is, same as the Company, a listed company whose outstanding common stock is listed on the TSE Prime Market and the Company thus will, following the consummation of the Transaction, still be governed as a group company of the Offeror by the governance and compliance system established by the Offeror as a company listed on the TSE Prime Market and be subject to internal control and internal audit. Further, the governance and compliance system will be continued and reinforced based on the Offeror Group standards; therefore, neither decline in the governance discipline nor weakening of the compliance system should occur.

(V) Decline in credibility vis-à-vis stakeholders

It may be concerned that residents and others will have concerns regarding changes in the operational structure and the weakening of the compliance system associated with the delisting, and that confidence among business partners, including banks, will decline.

However, as explained above, in the Transaction, while the existing compliance system will continue to be maintained following the consummation of the Transaction, the Offeror's group company management structure will also function as an indirect oversight, and it is thus implausible that the compliance system will be weakened, but rather, the credibility is expected to be improved by integration into the Offeror Group.

In addition, the concerns of stakeholders can be addressed with careful explanations of the significance of the Transaction and its impact on the stakeholders given to officers

and employees, business partners, banks, customers, and other such persons, and thus, there should be no or limited impact thereof.

(VI) Loss of corporate culture and know-how relating to business operations

While the Offeror Group has been developed with the business serving medical institutions as its core business, the Company group has culture as the business serving individual customers. Hence, it may be concerned that differences in the corporate culture or changes in the management policies will alter the decision-making speed, the scope of discretions of on-site workers, or framework of personnel affairs and evaluation, affecting the business.

However, as described in "Part 4" – "1" – "(2)" – "B" – "(A)" above, according to the Offeror, it will respect the current management structure and business operation structure, and will give sufficient consideration to the autonomy in business operations and the continuity of on-site operations, in particular maintenance of the decision-making speed even after the Transaction, and the aforementioned concern therefore will not occur or is considered to be limited.

(VII) Administrative load and system adaptation cost

As a result of the consummation of the Transaction, the Company will be delisted, resulting in a reduction of listing maintenance costs, whereas there may be temporary administrative load and system adaptation costs in connection with the integration in excess of such reduction; however, such load and costs are merely temporary and their impacts are deemed limited.

B. As described above, the Dissynergies resulting from the acquisition of 100% ownership are limited and the Company's belief that the synergies from the acquisition of 100% ownership of the Company will exceed such dissynergies is deemed reasonable, and there should be no other specific dissynergy that may result from the Company becoming a wholly-owned subsidiary of the Offeror.

(4) Summary

As explained above, no unreasonable point has been found in the background, purpose and decision-making process leading to the implementation of the Transaction by the Offeror. Given the limited impact or no impact of the Dissynergies, the envisioned initiatives to be taken after the Transaction to enhance the corporate value, the synergies expected from the Transaction, the management policy following the Transaction, and other factors, the Transaction is deemed to contribute to the enhancement of the Company's corporate value and the purpose of the Transaction is deemed reasonable.

2. Regarding Consultation Matter (2) (Whether the fairness of the terms and conditions relating to the Transaction (including the method of the Transaction or the level and type of consideration) is ensured)

(1) Fairness of the method of acquisition and the form of acquisition consideration

According to the Offeror, in the Transaction, the Tender Offer and the Squeeze-out Procedures are planned to be carried out as a series of transactions. The Offeror believes that by acquiring 100% ownership of the Company and integrating the Company with the Offeror Group, it will be able to promote the mutual utilization of the management resources of each entity, which will lead to synergies such as establishment of a structure that supports one-stop services covering medical care to nursing care, acceleration of opening of new facilities, and improved investment efficiency, enabling the enhancement of the medium- to long-term corporate value of the Company and the Offeror Group. As explained above, it is recognized that the implementation of the Transaction aiming to acquire 100% ownership of the Company as a series of transactions will contribute to the improvement of the Company's corporate value, and conducting the Tender Offer and the Squeeze-out Procedures as a series of transactions is also considered as a reasonable process of acquisition in light of the aforementioned purpose, as doing serves to protect the interests of general shareholders.

According to the Offeror, with respect to the Squeeze-out Procedures, it is contemplated that, after the Tender Offer, either a demand for sale of shares or a share consolidation will be implemented; even under the Squeeze-out Procedures, the Offeror intends to carry out the acquisition for the same consideration as that in the Tender Offer. Moreover, under either procedure, general shareholders are legally entitled to challenge the reasonableness of the price in court Accordingly, the method and the consideration are considered reasonable.

With respect to the type of acquisition consideration in the Transaction, although, theoretically, it is conceivable that shares of the Offeror could be used as consideration, given that the business domains and sizes of the Offeror and the Company are not the same, making differences in characteristics as investment targets and that the use of cash would help avoid the risk of a decline in the Offeror's share price, it is also considered reasonable to use cash, rather than shares of the Offeror, as the acquisition consideration.

Therefore, the process of acquisition and the type of acquisition consideration are deemed fair.

(2) Fairness of the consideration for the Tender Offer and the Squeeze-out Procedures

A The Tender Offer Price and the consideration for the Squeeze-out Procedures

The Tender Offer Price is 1,970 yen, and according to the Offeror, the acquisition price

of the shares of the Company to be acquired in the Squeeze-out Procedures is also expected to be the same financial condition, and the Stock Acquisition Rights Purchase Price will be 1 yen.

B Comparison with the share valuation results by the Company's third-party valuator

(a) Results of the share valuation by the third-party valuator appointed by the Company

In order to verify the reasonableness of the Tender Offer Price, the Company requested Nomura Securities, a third-party valuator, to conduct a valuation of the Company's Stock, and according to the share valuation report (the "Nomura Securities Valuation Report"), the results of the valuation of the Company's Stock are as follows:

Market Price Method	1,360 yen to 1,403 yen
Comparable Company Analysis Method	926 yen to 1,878 yen
DCF Method	1,484 yen to 2,799 yen

Given that the Tender Offer Price is above the valuation results under the market price method and the comparable company analysis method, and falls within the range of the valuation result under the discounted cash flow method (the "DCF Method") among the results of the valuation of the Company's Stock in the Nomura Securities Valuation Report, the Tender Offer Price is deemed to fall in a reasonable range in view of the results of the share valuation in the Nomura Securities Valuation Report.

(b) Confirmation of the reasonableness of the business plan

The Special Committee received explanations from the Company's personnel in charge regarding the business plan (the "Business Plan") that served as the basis for the calculation of the value of the Company's Stock by the DCF Method in the Nomura Securities Valuation Report, conducted question-and-answer sessions, as appropriate, and then verified the content of the Business Plan, the material assumptions, the process of its preparation, and other such matters.

As a result, as set out below, it was confirmed that there were no particularly unreasonable points in the content of the Business Plan, the material assumptions, the process of its preparation, and other such matters.

(I) In light of the facts that, in the Business Plan, (a) an increase in net sales of approximately 9% in each fiscal year from the fiscal year ending June 2027 to the fiscal year ending June 2029 is expected, based on the actual monthly figures of move-ins and move-outs at all facilities, (b) with respect to future openings, the number of new openings is estimated based on nursing care facilities for which opening has actually been decided or is scheduled, and (c) with respect to the net sales of facilities scheduled

to be newly opened, forecasts and similar estimates are made in light of the track record of similar nursing care facilities in the vicinity, it is recognized that each of the foregoing is reasonable.

(II) Among the contents of the Business Plan, labor costs are calculated based on the number of personnel determined on the assumption of certain personnel streamlining measures, while also taking into account the basic staffing standards required for the operation of the relevant facilities, and it is stated that such streamlining measures have been projected, based on the feasible facilities, based on the measures currently being undertaken by the Company (such as expanding the number of homes where the staffing ratio can be reduced from 3:1 to 3:0.9 through DX and other means, improving efficiency by increasing the number of cases handled by each care manager through the use of AI care plans, and utilizing inter-home support by leveraging the dominant strategy) and on its track record. In addition, with respect to unit labor costs, in light of the recent surge in labor costs, the figures reflect regular pay raises, base pay increases, and other factors, and therefore no unreasonable points are found in the estimated figures relating to labor costs, either.

(III) It is stated that the Company has no M&A transactions that have been decided as of the present time, or that are scheduled to be implemented based on a legally binding agreement, or that are expected to be implemented with high probability, and accordingly, none of them is incorporated into the Business Plan and no unreasonable point is found in the practice of not including M&A transactions.

(IV) Among the members of the Special Committee, the chairperson Mr. Toshiro Kosaka, serves as an outside corporate auditor of the Company, and Mr. Tomokazu Yamazawa and Ms. Kimiko Tanaka, each serves as an outside director of the Company, have had an understanding of the Company's business and other relevant matters, and it has been confirmed that the content of the Business Plan is consistent with the matters recognized by the members of the Special Committee in their capacities as the Company's outside corporate auditor or outside directors, and that there are no unreasonable points in it.

(V) The Business Plan was prepared by the Company in accordance with the financial projections underlying the medium-term management plan that had been announced prior to the receipt of the Letter of Intent from the Offeror, and the medium-term management plan was resolved at a meeting of the Company's board of directors, including Mr. Shimomura and Mr. Nishikado, on August 6, 2026 which is before the Company received the Letter of Intent from the Offeror. However, the Company renews its medium-term management plan on an annual basis at the same time as the full-year

financial results since the full-year financial results for the fiscal year ended June 2017 and the aforementioned medium-term management plan was also developed as part of the regular renewal practice and was prepared mainly by the Company's officers and employees who had no issue from the viewpoint of independence from the Offeror, Mr. Shimomura, and the outcome of the Transaction. In addition, the contents and the reasonableness of the medium-term management plan were reviewed and approved by the Company's directors, including its outside directors, and it was accordingly confirmed that the medium-term management plan was not prepared under the influence of arbitrary pressure or other similar factors.

(VI) In light of the (I) through (V) above, it has been reconfirmed by the Special Committee that the Business Plan was prepared independently of the Offeror, in light of its purpose and the process of its preparation, and that its content is realistically achievable, is consistent with the type of business plan that should be formulated for the purpose of objectively and reasonably verifying the reasonableness of the terms and conditions of the Transaction, and that the Business Plan is appropriate as a business plan that serves such purpose.

(c) Reasonableness of the share valuation methods used by the Company's third-party valuator

Nomura Securities used multiple methods to calculate and verify the value of the Company's Stock as below, including (I) the Market Price Method, since the Company's Stock are listed on TSE and a market price is available; (II) the Comparable Company Analysis Method, since there are multiple comparable listed companies and the value of the Company's Stock can be inferred by comparison with the market value of such comparable companies; and (III) the DCF Method, to reflect the status of the Company's future business activities in the valuation.

It should be noted that in the valuation of the Company's Stock, Nomura Securities assumed that publicly available information and information provided to Nomura Securities were all correct and complete and did not independently verify their correctness and completeness. Nomura Securities neither performed any independent valuation, appraisal or assessment, nor requested of a third-party entity any appraisal or assessment on the Company's and its affiliates' assets or liabilities (including financial derivatives, off-the-book assets and liabilities, and other contingent liabilities), including analysis and valuation of individual assets and liabilities. Nomura Securities also assumed that the Company's financial forecasts (including earnings projections and other information) were reasonably reviewed and prepared by the Company's management team based on the best and sincere forecasts and decisions available at present. The Nomura Securities' valuation reflects the

information and economic conditions obtained by Nomura Securities before November 4, 2026.

(I) The Market Price Method

According to Nomura Securities, under the Market Price Method, Nomura Securities calculated the range of the value per share of the Company's Stock to be 1,360 yen to 1,403 yen using November 4, 2026 as the reference date, based on the closing price of the Company's Stock on the TSE Prime Market of 1,360 yen; the simple average closing price for the most recent five business days of 1,360 yen; the simple average closing price for the most recent one month of 1,387 yen; the simple average closing price for the most recent three months of 1,403 yen; and the simple average closing price for the most recent six months of 1,362 yen.

(II) The Comparable Company Analysis Method

According to Nomura Securities, under the Comparable Company Analysis Method, Nomura Securities selected As Partners CO., LTD., UCHIYAMA HOLDINGS Co. ,Ltd., and Living Platform, Ltd. as listed companies engaged in businesses similar to that of the Company, and performed the calculation using the EV/EBITDA multiple (hereinafter referred to as the "EBITDA Multiple"), the EV/EBIT multiple, PER and PBR, thereby calculating the range of the value per share of the Company's Stock to be 926 yen to 1,878 yen.

(III) The DCF Method

According to Nomura Securities, under the DCF Method, the Company's financial forecasts included in the Business Plan, which Nomura Securities assumed as the premise for its calculation under the DCF Method, were prepared by the Company taking into consideration, in the nursing care business and other businesses, the performance up to the most recent period and the various measures for future growth, and the forecast period is set at the three fiscal years from the fiscal year ending June 2027 to the fiscal year ending June 2029, as the period for which future forecasts can reasonably be made. Nomura Securities, based on the Business Plan, on the premise of various factors, such as the income and expenditure forecasts and investment plans under the business plan for the three fiscal years from the fiscal year ending June 2027 to the fiscal year ending June 2029, publicly available information, and other factors, calculated the corporate value and share value based on the free cash flow expected to be generated by the Company from the 2nd quarter of the fiscal year ending June 2027 onward, by discounting it to present value at a certain discount rate corresponding to business risk, thereby calculating the range of the value per share of the Company's Stock to be 1,484 yen to 2,799 yen. In addition, the discount rate is the weighted

average cost of capital (WACC), and a rate of 7.25% to 7.75% has been adopted (for the avoidance of doubt. size-risk premium was not taken into account). Furthermore, in calculating the continuing value, it has been calculated to be from 39,434 million yen to 82,412 million yen based on the perpetual growth rate method and the multiple method. Under the perpetual growth rate method, the perpetual growth rate is 1.25% to 1.75%, taking into consideration the long-term economic outlook surrounding the Company and other factors, and under the multiple method, the EBITDA Multiple, which is common in valuation practice in M&A transactions, is adopted, and it is set at 5.5 times to 7.5 times, taking into consideration the Company's recent and past EBITDA Multiple levels and other factors. In calculating the terminal value, Nomura Securities used the capital expenditure which was set based on the depreciation expense for the fiscal year ending June 2029, the final year of the Business Plan.

Each of the above share valuation methods adopted in the Nomura Securities Valuation Report is a generally accepted and reasonable valuation method, and according to Nomura Securities, the calculations under each such method were performed using generally accepted methodologies.

In addition, the Special Committee requested that Nomura Securities report on the value of the Company's Stock and conducted question-and-answer sessions with Nomura Securities, as appropriate, and it was recognized that the explanations given by Nomura Securities are all reasonable.

According to the Company's personnel in charge, no circumstances requiring a revision of the Business Plan have arisen during the period from the time of preparation of the Nomura Securities Valuation Report up to the present date, and there are no circumstances requiring Nomura Securities to change the content of the Nomura Securities Valuation Report.

Accordingly, it can be said that no particularly unreasonable points are found in the share valuation methods and the details of the valuations in the Nomura Securities Valuation Report, and that they are considered reasonable.

C Premium

The Tender Offer Price of 1,970 yen represents premiums of 36.33% over the closing price of 1,445 yen of the Company's Stock on the TSE Prime Market on November 5, 2026, the business day immediately preceding the date of announcement of the Tender Offer, 41.73% over the simple average of the closing prices for the most recent one-month period up to and including the same date of 1,390 yen, 40.21% over the simple average of the closing prices for the most recent three-month period of 1,405 yen, and 44.64% over the simple average of the closing prices for the most recent six-month period of 1,362 yen,

respectively. Among tender offers of other companies' shares targeting domestic listed companies, which have been published on or after January 1, 2022 and have been due for settlement by November 4, 2026, in comparison with the level of premium in 25 tender offers that are similar to the Transaction (cases that aim to make private a target company which is an equity-method affiliate of an acquirer or a parent company of an acquirer prior to commencement of tender offers; however, excluding cases where a target company does not resolute to recommend to tender shares in a tender offer at its announcement (the "Similar Cases")), the level of premium in the Tender Offer Price is not necessarily deemed to be high. However, considering in an integrated manner, together with the background of negotiation stated in the section "Part 4" – "2"– "(2)" – "D" and the result of calculation of share value stated in the section "Part 4" – "2" – "(2)" – "B" – "(A)" below, that (I)if the Similar Cases are scrutinized individually, the level of premium to the closing price on the business day immediately preceding the announcement date of the Tender Offer and the level of premium to the simple average closing price for the past 1 month up to such date, the level of premium to the simple average closing price for the past 3 months up to such date and the level of premium to the simple average closing price for the past 6 months up to such date respectively include 5, 6, 6 and 10 cases that go below the level of premium corresponding to the Tender Offer Price, and (II)the Tender Offer Price is at the level that exceeds 1,906 yen that is the all-time high of the Company's Stock as of November 5, 2026 (October 15, 2021) that is the business day immediately preceding the announcement date for the implementation of the Tender Offer by 3.36%, and that to the general shareholders, opportunities to sell their Company's Stock at the price that exceeds the past market price are provided, it is recognized that the premium of the Tender Offer Price is at a reasonable level.

D Background of negotiations with the Offeror

The Special Committee has been substantially involved with the process of negotiation for the Transaction conducted by the Company and the Offeror through stating its opinion several times, as explained in "Part 3" – "2". The outline of the process of negotiation between the Company and the Offeror on which the Special Committee has stated its opinion is as follows.

Date	Communication between the Company (including the Special Committee) and the Offeror
October 14, 2026	The Offeror proposed a price of 1,750 yen per share (the "**First Proposed Price**"), with respect to the Tender Offer Price, assuming that the Company should not pay an interim dividend and year-end dividend for the fiscal year ending June, 2027 and

	any dividend thereafter.
October 15, 2026	The Company requested that the First Proposed Price be increased to a greater extent on the grounds that the relevant price could hardly be deemed to be the price that considered the interests of general shareholders of the Company.
October 19, 2026	The Offeror proposed a price of 1,850 yen per share with respect to the Tender Offer Price and a price of 1 yen per the Company's Stock Acquisition Right with respect to the Stock Acquisition Right Purchase Price (collectively, the "**Second Proposed Price**").
October 22, 2026	The Company requested once again that the Second Proposed Price be increased to a greater extent on the grounds that the relevant price could yet hardly be deemed to be the price that considered the interests of general shareholders of the Company.
October 26, 2026	The Offeror proposed a price of 1,910 yen per share with respect to the Tender Offer Price (the "**Third Proposed Price**").
October 27, 2026	The Company requested once again that the Third Proposed Price be increased to a greater extent on the grounds that the relevant price could yet hardly be deemed to be the price that considered the interests of general shareholders of the Company.
October 29, 2026	The Offeror proposed a price of 1,950 yen per share with respect to the Tender Offer Price (the "**Fourth Proposed Price**").
October 30, 2026	The Company strongly requested once again that the Fourth Proposed Price be increased to a greater extent on the grounds that the relevant price could yet hardly be deemed to be the price that considered the interests of general shareholders of the Company.
November 2, 2026	The Offeror once again proposed a price of 1,950 yen per share with respect to the Tender Offer Price on the grounds that the Fourth Proposed Price is at the level where sufficient opportunities to reward general shareholders of the Company are provided, such as that the Fourth Proposed Price exceeds the level that is the all-time high of the Company (1,906 yen) (the "**Fifth Proposed Price**").
November 4, 2026	The Company once again determined that the Fifth Proposed Price could yet hardly be deemed to be the price that considered

	the interests of general shareholders of the Company and strongly requested that the relevant price be increased to a greater extent.
November 4, 2026	The Offeror proposed a price of 1,970 yen per share with respect to the Tender Offer Price (the "**Sixth Proposed Price**") and explained that the relevant price was at the level where the Offeror sufficiently evaluated the value of the Company's Stock and if the Tender Offer Price exceeded the relevant price, the Transaction should be unlikely to be consummated.
November 5, 2026	The Company requested that the Tender Offer Price be increased to a greater extent, taking into account the level of premium in the Similar Cases, from the perspective of ensuring interests of general shareholders as much as possible.
November 5, 2026	The Offeror proposed that Tender Offer Price be remained at 1,970 yen (same as the Sixth Proposed Price) as a final proposal, and the Sixth Proposed Price that the Offeror proposed in response to a request from the Company and the Special Committee was determined as a result of evaluating the value of the Company's Stock to the utmost extent and that if the price that exceeded the relevant price was assumed, the Transaction itself should be unlikely to be consummated.

The above negotiation was, as explained in "Part 3" – "2", implemented in a special committee independent of the Offeror, upon sufficient information being shared by the Company and the Offeror, and as stated in "Part 4" – "3", the measures to ensure the fairness of the Transaction being fully taken. Therefore, the Tender Offer Price is deemed to be the price formed as a result of a fair negotiation that is deemed to be a negotiation between the independent parties.

(3) Fairness of the Stock Acquisition Right Purchase Price

The Stock Acquisition Right Purchase Price is set at a price of 1 yen. However, the Company's Stock Acquisition Rights have been issued to directors of the Company as a stock option, and as the conditions of exercise of rights, the Company's Stock Acquisition Rights are required to be exercised during the period from the date on which a holder of stock acquisition rights loses its position as a director of the Company to the date on which 10 days (if the tenth day falls under a holiday, the business day immediately following such date) elapse from the relevant loss of position. Therefore, if the Offeror acquires the Company's Stock Acquisition Rights through the Tender Offer, the Offeror may not exercise them. The Stock Acquisition Right Purchase Price is deemed not to have an economic value.

Accordingly, it is deemed to be economically reasonable and appropriate that the Stock Acquisition Rights Purchase Price is set at a price of 1 yen, and furthermore, to be fair in terms of the foregoing.

(4) Fairness of terms and conditions of the Tender Offer other than the tender offer price

According to the Offeror, it intends to implement the Tender Offer for the purpose of acquiring all of the Company's outstanding shares, and, the Offeror (i) intends to provide a reasonable period as the Tender Offer Period in order to ensure an adequate opportunity for the Company's general shareholders to make a decision on whether to tender their shares in the Tender Offer; and (ii) sets no upper limit on the number of shares to be purchased, and on the other hand, (iii)intends to set a lower limit on the number of shares to be purchased at 12,194,500 shares (shareholding ratio:37.25%)[4]. Both of these terms are considered consistent with the above purpose.

In addition, a person who holds the Company's Stock Acquisition Rights is supposed to be only Mr. Shimomura and Mr. Shiro Kokaji, Representative Director and President and COO of the Company ("Mr. Kokaji"). Upon establishing a lower limit of the number of shares to be purchased, the number of the Company's Stock to be the purpose of the Company's Stock Acquisition Rights (41,720 shares in total) is not considered. Considering that (I)in a tender agreement expected to be executed with Mr. Shimomura, if Mr. Shimomura does not exercise the Company's Stock Acquisition Rights and does not tender the Company's Stock Acquisition Rights in the Tender Offer, and the Tender Offer is consummated, the Offeror is expected to agree to waive the Company's Stock Acquisition Rights, and (II)the Offeror shall confirm with Mr. Kokaji, that Mr. Kokaji does not exercise the Company's Stock Acquisition Rights, and if he does not tender the Company's Stock Acquisition Rights in the Tender Offer and the Tender Offer is consummated, he shall intend to waive the Company's Stock Acquisition Rights, it is not deemed to be unreasonable not to consider the Company's Stock to be the purpose of the Company's Stock Acquisition

[4] With respect to a lower limit on the number of shares to be purchased in the Tender Offer, the ownership ratio of the shares, etc. (meaning the ownership ratio of the shares, etc. set forth in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended), and if the applicable party has a special related party set forth in the same Article, Paragraph 1, Item 1, the term means the ratio obtained by adding the ownership ratio of the shares, etc.) is 66.73 % (rounded to the second decimal place).With respect to the relevant ownership ratio of the shares, etc., the number of fractional shares of the Company as of the present date is not identified, and the number of voting rights of all the shareholders of the Company as of the same date is unknown. As the number of voting rights of all the shareholders as of June 30, 2026 is the number of voting rights of all the shareholders that may be figured out through the documents published or submitted by the Company, the ownership ratio of the shares, etc. is calculated by including as a denominator the number of voting rights of all the shareholders as of June 30, 2026 stated in the annual securities report for the 42th business year submitted by the Company on September 28, 2026 (326,624 voting rights). As a note, if 10,400 Company's Stock relating to the RS Grant are added to the number of voting rights of all the shareholders as of June 30, 2026, the ownership ratio of the shares, etc. after a purchase in the case of making a purchase for the lower limit on the number of shares to be purchased is 66.71% (rounded to the second decimal place).

Rights upon establishment of the lower limit.

As described above, the terms and conditions of the Tender Offer other than the Tender Offer Price are also consistent with the purpose of the Tender Offer, and can be considered reasonable from the perspective of protecting the interests of the general shareholders.

(5) Squeeze-out Procedures

The Offeror plans that if it fails to acquire all shares of the Company's Stock through the Tender Offer, it will, after the Tender Offer has been completed, implement the Squeeze-out Procedures for the purpose of acquiring all shares of the Company's Stock by means of demand for share cash-out, share consolidation, or other process necessary to make the Company its wholly-owned subsidiary.

It is a commonly adopted method to implement squeeze-out procedures through demand for cash-out or share consolidation in the event of a failure to acquire all shares after the tender offer aiming for 100% acquisition has been completed, as in the Transaction.

In either case of using the means of demand for share cash-out or a share consolidation, both of which are planned to be used in the Squeeze-out Procedures, the Offeror plans to implement the Squeeze-out Procedures with the cash to be paid to the Company's shareholders who did not tender their shares in the Tender Offer as a result of the procedures, being calculated so as to be equivalent to the price obtained by multiplying the Tender Offer Price by the number of shares of the Company's Stock held by such shareholders. Accordingly, the terms and conditions are deemed as taking into account the prevention of the coercive nature that shareholders unwillingly tender their shares in the Tender Offer due to the concern that the consideration to be paid in the Squeeze-out Procedures would be lower than the Tender Offer Price in the Tender Offer.

Moreover, in either case of using the means of demand for share cash-out or a share consolidation, both of which are planned to be used in the Squeeze-out Procedures, laws and regulations ensure that if any shareholder who did not tender their shares in the Tender Offer is dissatisfied with the amount of cash to be paid in the Squeeze-out Procedures, such shareholder has the right to apply to a court for determination of the selling price of the Company's Stock the shareholder holds or for demand for purchase of shares at a fair price, thereby ensuring means to ultimately seek a court judgment.

In addition, since the Transaction is planned to be carried out as a series of processes, and according to the Offeror, it plans to implement the Squeeze-out Procedures promptly after completion of the settlement for the Tender Offer, shareholders who did not tender their shares in the Tender Offer will also be able to receive consideration for their shares through the Squeeze-out Procedures as promptly as possible. From such perspective, the terms and conditions are also deemed as taking into account the prevention of the coercive nature that

shareholders unwillingly tender their shares in the Tender Offer due to the concern about the uncertainty of the timing of the Squeeze-out Procedures.

As described above, given the details and the specific process of the Squeeze-out Procedures, the Squeeze-out Procedures can be deemed a typical method that also takes into account the protection of shareholders' rights, and as it is well considered to prevent the coercive nature, it is also deemed as taking into account the interests of the general shareholders who did not tender their shares in the Tender Offer; accordingly, it is considered reasonable.

(6) Summary

As described above, in the process of discussion and negotiation concerning transaction terms with the Offeror, it is ensured that while the corporate value is enhanced, a reasonable effort shall be made so that M&A is implemented on the terms and conditions that are as advantageous for general shareholders as possible. Furthermore, the contents of the calculation of share value to be a material foundation for determination of reasonableness of transaction terms and financial calculation to be a basis thereof and reasonableness of terms and conditions precedent are confirmed.

Accordingly, the level of consideration in the Transaction, method of the Transaction, type of consideration of the Transaction and other terms and conditions of the Transaction are deemed to be fair, and the terms and conditions of the Transaction are deemed to be fair.

3. Consultation Matter (3) (Whether sufficient consideration has been given, through fair procedures, to the interests of shareholders of the Company in the Transaction)

(1) Category of the Transaction and measures to ensure fairness

The stock issued by the Company is listed on the TSE Prime Market, and if "A takeover bid from a controlling shareholder, other associated company, or other entity specified by the Enforcement Rules" (limited to cases where the stock, etc. issued by said listed company is likely to be delisted due to the series of actions scheduled to be conducted after said takeover bid. Article 441, Paragraph 1, Item (2) of the TSE Securities Listing Regulations), the Company is required to obtain, from a special committee composed of persons specified in the Enforcement Rules (Article 436-3, Paragraph 1 of the Enforcement Rules for the Securities Listing Regulations), an opinion stating that the tender offer is fair to the general shareholders of the Company. The Transaction is undertaken by the Offeror, which indirectly owns through STK 29.33% of the outstanding shares in the Company, being a listed company, for the purpose of making the Company a wholly owned subsidiary and therefore constitutes a tender offer by a "parent company of other associated company". Accordingly, the Report issued by the Special Committee also serves as "an opinion stating that said action is fair to the general shareholders of the listed

company" obtained " from a special committee composed of persons specified in the Enforcement Rules" under the above listing regulations.

The "Fair M&A Guidelines" published by the Ministry of Economy, Trade and Industry on June 28, 2019 (the "**M&A Guidelines**") present a framework for fair M&As covering acquisitions of a controlled company, where issues with respect to structural conflicts of interest and information asymmetries exist (Section 1.2 of the M&A Guidelines). At the same time, the M&A Guidelines also note that in cases where issues with respect to structural conflicts of interest or information asymmetries exist to a certain extent, consulting the M&A Guidelines in the practical operation depending on the degree of such issues would contribute to ensuring the fairness of such M&As (Section 1.4 of the M&A Guidelines). Since the Offeror in the Transaction indirectly owns through STK 29.33% the Company's issued shares (i.e. the Company is an equity-method affiliate of the Offeror) and is expected to execute a tender agreement with Mr. Shimomura, the second largest main shareholder of the Company. Therefore, there is deemed to exist structural conflicts of interest and information asymmetries between the Offeror and the other general shareholders, the Special Committee understands that the Transaction falls under the scope of the M&A Guidelines and accordingly assesses the appropriateness of the measures to ensure the fairness.

(2) Measures to ensure fairness that have been taken in the Transaction

A Establishment of independent special committee and Acquisition of Report

A special committee established as a series of measures to ensure fairness is, basically, expected to deliberate and decide the relevant M&A from the standpoint of promoting the interests of the Company and its general shareholders rather than from a standpoint of an independent third party in relation to the Offeror, the Company, or the general shareholders. If the special committee functions effectively, it is believed to be highly regarded as a measure to ensure the fairness.

The Company received the Letter of Intent from the Offeror on August 31, 2026, and as described in the section "Part 3" – "1" – "(1)" – "B", on September 3, 2026, established the Special Committee at the meeting of its board of directors held on the same date, for the purpose of eliminating the arbitrariness in the Company's decision-making on the Transaction and, examining and deciding on the appropriateness of the Transaction and the fairness of its terms and conditions, and procedures from the standpoint of enhancing the corporate value and protecting the interests of the general shareholders.

In addition, at the same time as the above board resolution, the Company appointed Mr. Yoshihiko Maeda (Director and Managing Executive Officer of the Company) and Mr. Keita Endo (Executive Officer and Head of the Corporate Planning Office of the Company) to handle the Transaction, who are not and will not become related parties of the Interested

Parties and who do not have any material interests different from the general shareholders in relation to the outcome of the Transaction, thereby establishing an internal deliberation structure with no issues of independence.

Moreover, the Special Committee members consist of outside directors, outside auditor, and external expert all of who are not related parties of the Interested Parties and are independent of the outcome of the Transaction. The compensation to the Special Committee members consists only of fixed compensation payable regardless of the contents of the report, and the Special Committee thus has a structure free from any independence issues.

Furthermore, in connection with the consultation with the Special Committee, the Company's board of directors also resolved to grant the Special Committee: (i) authority to designate or approve (including a subsequent approval) the Company's advisor; (ii) authority to select its own advisor if the Special Committee deems such selection necessary upon considering the Consultation Matters (the Special Committee shall be able to seek the Company's advisor for its professional advice if the Special Committee determines that it is able to seek for professional advice by relying on the Company's advisor, such as that it has a superior expertise and no issue with its independence. In addition, a reasonable expense relating to professional advice from the Special Committee's advisor shall be borne by the Company.); (iii) authority to receive from Company's officers and employees and other persons deemed necessary by the Special Committee the information necessary for deliberation and decision on the Transaction; and (iv) authority to substantially involve with the process of negotiation concerning the terms and conditions of the Transaction and to directly carry out negotiation on its own as necessary, by confirming a policy of negotiation concerning the terms and conditions of the Transaction in advance, receiving a report on the circumstance from time to time, stating an opinion in material phases, and giving instruction or making a request. The Company's board of directors further resolved in connection with the consultation with the Special Committee that it would give utmost respect to the Special Committee's report in stating its opinion on the Transaction, and if the Special Committee provides a report to the Company that the Transaction is not fair to the general shareholders, the Company would act on such report. As such, the Company's board of directors granted the Special Committee the necessary and sufficient authority to fulfill its purposes and also made the resolutions necessary to respect the Special Committee's opinion.

The Company appointed Nomura Securities as a third-party valuator, and AMT as a legal advisor, both independent of the Offeror and the outcome of the Transaction, and the Special Committee approved them as the Company's advisors after having confirmed the expertise and independence of the above third-party valuator and legal advisor appointed by the Company, and the Special Committee decided to deliberate on the consultation matters while

obtaining professional advice.

Moreover, the Special Committee held meetings as necessary between September 9, 2026 and November 6, 2026, and also obtained information as necessary from the Company and the Offeror, gave reports, shared information, conducted reviews and made decisions vial emails between the meetings, thereby discussing and deliberating on the Consultation Matters. The Special Committee stated its opinions several times during the negotiation process of the Transaction between the Company and the Offeror (in fact, it achieved several increases in the proposed price, for example), and thus has been substantially involved in the negotiation with the Offeror.

As described above, the Special Committee is composed of independent persons and is deemed to have fulfilled its function to ensure that upon obtaining material information, from the perspective of enhancing the corporate value and seeking interests of general shareholders, by deliberating and determining the appropriateness of the Transaction and the fairness of transaction terms and procedures, a reasonable effort shall be made so that in the process of establishing transaction terms, the issue of structural conflict of interests and the issue of information asymmetries are dealt with and the Transaction is implemented under the terms and conditions that are as advantageous for general shareholders as possible while the corporate value of the Company is enhanced.

B Procurement of share valuation report from independent third-party valuator

Upon dealing with the issue of structural conflict of interests and the issue of information asymmetries in the process of establishment, it is desirable to procure the Share Valuation Report from an independent third-party valuator with expertise and to make determination based thereon (3.2.2 in the M&A Guidelines). In deliberating on the tender offer price offered by the Offeror and deciding on its opinion regarding the Tender Offer in the Transaction, the Company requested valuation of the Company's Stock from Nomura Securities, a third-party valuator that is neither a related party of the Interested Partiesnor has any material interest in the outcome of the Transaction and obtained the Nomura Securities Valuation Report. As explained in the section "Part 4" – "2" – "(2)" – "B", the contents of the Nomura Securities Valuation Report are considered reasonable.

In addition, the Company and the Special Committee inspected a general method of calculation of share value, etc. and deliberated on the transaction terms, negotiated with the Offeror, and made decisions, in light of not only the results of the share valuation in the Nomura Securities Valuation Report, but also the level of premiums typically added in comparable M&A transactions after assessing the contents of the Business Plan used as the basis for the valuation, the material assumptions, and the reasonableness and appropriateness of the preparation process.

The Company did not obtain, with respect to the Tender Offer Price (1,970 yen per share) about which the Special Committee negotiated with the Offeror and ultimately stated that it should not make any objection, an opinion regarding the fairness of the price ("Fairness Opinion") from Nomura Securities, etc. However, since a Fairness Opinion is to state an opinion from a financial perspective, the general understanding is that its effectiveness as a measure to ensure the fairness is not same in all cases, for example, when a third-party valuator issues a Fairness Opinion, it does not directly covers the fairness of the procedures and the availability of alternative transactions. In addition, according to the Company, it reviewed the deliberation process of the Transaction to determine that no circumstances were found that would require a Fairness Opinion in order to deliberate on whether to proceed with the Transaction since the Company had properly taken measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest; accordingly, it decided not to obtain a Fairness Opinion. As described in the section below, since it is found that measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest were properly implemented, forgoing a Fairness Opinion will not negate the fairness of the procedures leading to the negotiation process and the decision-making process relating to the Transaction.

C Advice from independent legal adviser

Upon the Company's determining and implementing appropriate measures to ensure fairness and ensuring fairness of procedures, it can be said that a legal adviser shall support the Company in sufficiently understanding the significance of taking measures to ensure fairness, and play a material role in establishing the Special Committee and appointing committee members, or organizing thoughts of directors who have or are likely to have special interests that should be eliminated from the process of deliberation and negotiation of cases.

Therefore, it is deemed to be desirable, as a series of measures to ensure fairness, to obtain involvement of a legal advisor who initially has independence and to acquire its independent expert advice. As explained in the section "Part 3" – "1" – "B" –"(1)", the Company has appointed AMT as its independent legal advisor by September 3, 2026, to ensure fairness and appropriateness of decision making in the Company's board of directors, in response to a submission of the Letter of Intent by the Offeror who has taken interest in the acquisition of the Company's Stock.

The Special Committee has approved AMT as the Company's legal advisor upon confirming its independence from the Interested Parties and its expertise (in the section "B" – "(2)"), and in the operation of the Special Committee, the Special Committee have conducted deliberation, discussion and determination in the Special Committee while

obtaining AMT's expert advice as appropriate and have been deemed to effectively function as a series of measures to ensure fairness of the Transaction.

D Establishment of independent deliberation structure within the Company

In the Company's board of directors to determine for or against the Transaction, under the Company Act, it is specified that "directors who have special interests" may not participate in a resolution. However, from the perspective of eliminating influence caused by an issue of structural conflicts of interest from the process of establishing terms and conditions of a transaction, it is believed to be appropriate, in terms of fairness of procedures, to establish a framework to conduct deliberation and negotiation from the aspect that is as independent from the Offeror as possible within the Company, not only in the phase of a resolution of the foregoing board of directors but also since reaching the phase of deliberation and negotiation preceding thereto, depending on specific circumstances of the Transaction, including eliminating directors who have a certain interests including "directors who have special interests" (in the Transaction, meaning Mr. Shimomura, Representative Director and Chairman who is expected to execute a tender offer agreement with the Offeror, and Mr. Nishikado who is a former member of the Offeror and doubles as a director of a company that belongs to the Offeror Group) from the process of deliberation and negotiation.

Among the Company's directors, the Company has eliminated Mr. Shimomura and Mr. Nishikado who are deemed to have special interests with the Offeror or the realization of the Transaction from the internal deliberation structure to conduct deliberation, negotiation and determination of the Transaction, and furthermore, has appointed as the Company's Personnel in charge Yoshihiko Maeda and Keita Endo who do not fall under related parties of the Interested Parties and do not have material interests which are different from those of general shareholders with respect to the succession and failure of the Transaction, and have caused them to engage in negotiations with the Offeror and to be responsible for contact persons for the Special Committee.

As described above, the Company may be assessed to have established the internal deliberation structure consisting of persons who do not have material interests which are different from those of general shareholders with respect to the succession and failure of the Transaction and have been deemed to take effective measures as a series of measures to ensure fairness of the Transaction.

E Unanimous approval by all directors who do not have interests within the Company and opinion to the effect that no auditors make any objection

From the perspective of ensuring fairness of procedures in the Transaction, directors who do not have interests with the Transaction must carefully discuss and deliberate, whether a series of procedures for the Transaction and all the terms and conditions regarding the

Transaction shall contribute to the enhancement of the Company's corporate value, and whether the terms and conditions relating to the Transaction is reasonable.

The Company intends, at the board of directors, to make a resolution regarding expression of opinion of the Company's board of directors on the implementation of the Transaction, based on the discussion and deliberation made by all directors excluding Mr. Shimomura and Mr. Nishikado who have special interests with the realization of the Transaction, and furthermore, all auditors of the Company attend the relevant board of directors and the Company intends to obtain an opinion from all the auditors to the effect that they make no objection against the relevant resolution. Therefore, the foregoing measure is deemed to be effective as a series of measures to ensure fairness of the Transaction.

F Measures to secure opportunities for purchases by other purchasers (market check)

By securing opportunities for other potential offerors to make counter-offers for acquisition (the "Counter-Offer"; a person who makes the Counter-Offer shall be referred to as the "Counter-Offeror") in M&A, material reference information regarding the Company's value and reasonableness of terms and conditions of a transaction shall be acquired through confirming the existence of the Counter-Offeror who makes the Counter-Offer with better terms and conditions than an offer for acquisition, and furthermore, it shall be promoted to present to an initial offeror terms and conditions of a transaction that are better than assumed terms and conditions of a transaction in the Counter-Offer, considering a possibility of other Counter-Offers. Therefore, securing such opportunities is deemed to have a function that helps M&A to be implemented under terms and conditions which are as advantageous as possible for general shareholders while the Company's capability of negotiation in the process of establishing terms and conditions of a transaction is strengthened and the Company's corporate value is enhanced.

The Company has not executed, with the Offeror, agreements in substance that may restrict the Counter-Offeror from making contact with the Company, such as agreements that include transaction protection provisions which restrict the Company from making contact with the relevant Counter-Offeror.

In addition, the Offeror is expected to set the Tender Offer Period in the Tender Offer to 30 business days and the Offeror shall secure opportunities for the Company's general shareholders to make appropriate decisions regarding tendering their shares to the Tender Offer and opportunities for persons other than the Offeror to make counter-purchase of the Company's Stock (objective market check), and thereby, shall intend to secure fairness of the Tender Offer.

For the foregoing reasons, in the Transaction, an objective market check that does not hinder opportunities of counter-purchase has been deemed to be carried out as well, and the

background and the terms and conditions that consider securing fairness of the Transaction have been deemed to be established.

An active market check to investigate and deliberate existence of potential acquirers in a market is not carried out. However, the Offeror indirectly owns 29.33% of the Company's Stock, and furthermore, if such holding is added to the ownership ratio of Mr. Shimomura, the second largest main shareholder of the Company who is expected to execute a tender agreement with the Offeror, the total ownership ratio of the Company's Stock shall reach 45.66%[5]. If the Counter-Offeror appears, an acquisition shall be unlikely to be completed unless the Offeror and Mr. Shimomura agree therewith. On the other hand, by carrying out a market check in advance, there arises a concern that such market check could result in an information leakage of trade secret to competing companies or adversely affect the business or share price due to a leakage of transaction information, or a disadvantage where it may not be denied that an intention of acquisition is expressed for the purpose of acquisition of information and other purposes without a genuine intention of acquisition. In addition, considering that the aforementioned indirect market check could sufficiently function and other measures to ensure fairness have been taken, there is not deemed to arise doubt in the fairness of the Transaction for the reason that an active market check is not carried out.

G Measures to ensure opportunities for the Company's shareholders to make appropriate decisions on whether they accept the Transaction

Upon implementation of the Transaction, appropriate and sufficient disclosure of information shall contribute to the elimination of asymmetry of information by providing material information that contribute to decision making of general shareholders regarding reasonableness of terms and conditions of a transaction, and shall enable general shareholders to make informed judgement, and furthermore, shall contribute to actions taken for an issue of structural conflicts of interest and asymmetry of information through a subsequent disclosure of the process of deliberation and negotiation conducted by the board of directors and the Special Committee, the content of calculation of the share valuation by a third party evaluator or the process of the calculation which are checked by the Company's general shareholders and the broad public.

In the Special Committee, upon appropriate confirmation of materials to be disclosed by the Company and the Offeror regarding the Transaction, in the relevant disclosed materials, information on the Special Committee, information on the result of calculation of the share valuation of the Company's Stock, other information on the background, circumstance and

[5] The Offeror and Mr. Shimomura directly or indirectly own 14,947,710 Compmany's Stock in total (including 33,600 shares with restriction on transfer currently held by Mr. Shimomura and 34,110 Company's Stock to be the purpose of 1,740 Company's Stock Acquisition Rights) and the ownership ratio of the Offeror and Mr. Shimomura is 45.66%.

purpose leading to the implementation of the Transaction and information on the specific background of the discussion and negotiation regarding the terms and conditions of a transaction carried out between the Company and the Offeror are expected to be disclosed in detail. Therefore, considerable information is deemed to be expected to be disclosed for the Company's shareholders to make decisions on the reasonableness of the terms and conditions of a transaction.

As described above, as long as the Company and the Offeror make an appropriate explanation to general shareholders by using the above explanation materials, in the Transaction, opportunities are deemed to be secured for general shareholders to appropriately determine whether they shall accept the Transaction.

H No establishment of MoM conditions

MoM conditions (majority of minority conditions) mean that by assuming that support of majority of shares held by general shareholders, that is, shareholders who do not have common material interests with acquirers is obtained, such conditions precedent are published in advance. If the number of general shareholders in favor necessary to be obtained for consummation of M&A increases to a considerable extent, such increase is likely to be effective to ensure the fairness of transaction terms. Therefore, in the relevant case, the establishment of MoM conditions is deemed to be evaluated as measures to ensure fairness.

On the other hand, according to the Offeror, in the first place, the Offeror itself (indirectly through STK) owns 29.33% of the Company's issued shares, and the Offeror is expected to execute a tender agreement with Mr. Shimomura, the second largest main shareholder of the Company. As explained in the section "Part 4" – "1" – "(1)" – "B", taking into consideration the background that the Transaction was commenced to be deliberated in response to advances regarding the sale from Mr. Shimomura, Mr. Shimomura is also deemed to have common material interests with the Offeror and the total ownership ratio of both parties is 45.66%. If MoM conditions are established, a lower limit of the number of shares to be purchased in the Tender Offer is required to be set at more than 72.83% of the Company's issued shares. Therefore, MoM conditions are not intended to be established.

If the number of general shareholders in favor necessary to be obtained for consummation of M&A increases to a considerable extent due to the establishment of MoM conditions, such conditions are effective to ensure the fairness of transaction terms and can be evaluated as measures to ensure fairness. On the other hand, it is generally indicated that MoM conditions may interfere with M&A that contributes to enhancement of corporate values in the case where the ratio of shares of a target company held by an acquirer is high. Accordingly, it is not deemed to be desirable that MoM conditions are constantly established.

In the Transaction, considering the background of deliberation of the Transaction, it is deemed to be reasonable to exclude from a parameter of MoM conditions the Company's Stock held not only by the Offeror but also by Mr. Shimomura who is expected to execute a tender agreement. However, as the total ownership ratio of both parties reaches 45.66%, if MoM conditions are established in the Tender Offer, the Tender Offer shall not be consummated unless 27.17% of shareholders tender their shares in the Tender Offer.

Considering the current circumstance where the scale of passive index fund (there are some shareholders who do not tender their shares in a tender offer in principle, regardless of appropriateness of transaction terms. Therefore, there is deemed to exist factors which prevent MoM conditions from producing their natural functions and increase the transaction interference effect stated above.) is expanded specifically as a recent trend of the capital market in Japan, the establishment of MoM conditions in the Tender Offer is deemed to be likely to generate the transaction interference effect rather than the effectiveness to ensure the fairness of transaction terms.

On the other hand, as explained above, in the Transaction, measures to ensure fairness other than MoM conditions are deemed to be taken. Thus, no establishment of MoM conditions is not deemed to generate doubt in the fairness of the Transaction.

I Elimination of pressure effect

In the Transaction, if an issue of pressure effect arises, decisions of general shareholders may be unreasonably distorted, and shareholders who are not satisfied with the Tender Offer Price may be virtually forced to tender their shares to a tender offer. Therefore, measures should be taken to ensure that the pressure effect shall not arise, to secure opportunities for general shareholders to make appropriate decisions on whether they tender their shares to a tender offer.

In the Transaction, the Offeror is expected to address the following matters from the perspective of eliminating the pressure effect, as below.

(i) The Offeror assumes, with respect to the acquisition price in the Tender Offer and in the Squeeze-out Procedures, to set the same economic conditions; and

(ii) The Squeeze Out Procures are expected to be implemented around January, 2027 that is close to the period during December, 2026 when the acquisition of the Company's Stock through the Tender Offer (settlement of the Tender Offer) is expected. If more than 90% of the Company's issued shares is acquired through the Tender Offer, the Squeeze-out Procedures shall be implemented based on the Demand for Share Cash-out (Article 179 of the Company Act) conducted by special controlling shareholders and shall be expected to be completed earlier than the case

of share consolidation (Article 180 of the Company Act) .

End

In addition, the terms and conditions are established to ensure that for the reason of a concern that the consideration to be delivered in the Squeeze-out Procedures shall become lower than the Tender Offer Price in the Tender Offer, a decision to unwillingly transfer shares in the Tender Offer shall not be reached (the pressure effect shall not arise) ((i) above), and considering that the Offeror has stated to the effect that it shall promptly implement the Squeeze-Out Procedures after the Tender Offer, the Company's shareholders who do not sell their shares in the Tender Offer may also acquire a consideration of shares they hold, through the Squeeze-Out Procedures carried out as promptly as practicable, and in terms of the foregoing, measures are deemed to be taken to ensure that a pressure effect where the Company's shareholders unwillingly sell their shares in the Tender Offer for the reason of a concern that the timing of the Squeeze-Out Procedures is uncertain shall not arise ((ii) above).

Furthermore, in a share consolidation or the Demand for Share Cash-out to be adopted in the Squeeze-Out Procedures, if the Company's shareholders who do not sell their shares in the Tender Offer are not satisfied with the price of money to be delivered in the Squeeze-Out Procedures, by laws and regulations, rights to request for determination of the purchase price of shares held by the relevant shareholders or the right to request for purchase of shares at a fair price to be filed against a court is secured, and ultimately, the relevant shareholders shall be ensured to access to a determination by a court.

As described above, in the Transaction, it is not definitive whether the Squeeze-Out Procedures are implemented and its success or failure, specific methods and the timing if implemented. However, considerable measures are deemed to be taken to eliminate the pressure effect, and furthermore, as explained in the section "2" above, the terms and conditions of the Transaction are fair, and considering that it is deemed to be reasonable for general shareholders to accept the Tender Offer and that the implementation of the Squeeze-Out Procedures is reasonably expected, the terms and conditions or procedures of the Transaction are deemed to sufficiently ensure that the pressure effect shall not arise. Therefore, the pressure effect on general shareholders in the Transaction is not deemed to be high, solely for the reason that the implementation of the Squeeze-Out Procedures is not definitive.

In addition, (i)in a tender agreement expected to be executed with Mr. Shimomura, if Mr. Shimomura does not exercise the Company's Stock Acquisition Rights and does not tender the Stock Acquisition Rights in the Tender Offer, and the Tender Offer is consummated, the Offeror is expected to agree to waive the Company's Stock Acquisition Rights, and (ii)in the

case where the Offeror confirms in oval with Mr. Kokaji that if Mr. Kokaji does not exercise the Company's Stock Acquisition Rights and does not tender the Company's Stock Acquisition Rights in the Tender Offer, and the Tender Offer is consummated, the Offeror shall intend to waive the Company's Stock Acquisition Rights. However, if the Tender Offer is consummated, the Offeror is expected to request the Company to implement procedures reasonably necessary for the implementation of the Transaction, including acquisition and cancellation of the Company's Stock Acquisition Rights, or recommendation of a waiver of the Company's Stock Acquisition Rights to the Company's Stock Acquisition Right Holders.

Considering that such agreement or intention is not confirmed Mr. Shimomura and Mr. Kokaji who are the Company's Stock Acquisition Right Holders, there are no circumstances that are sufficiently deemed to generate the pressure effect where the Company's Stock Acquisition Right Holders unwillingly tender their Stock Acquisition Rights in the Tender Offer.

(3) Summary

As described above, in the Transaction, measures to ensure fairness are deemed to be sufficiently taken to ensure the fairness of procedures, and it is appropriately ensured that interests of general shareholders shall be secured through fair procedures. Accordingly, the procedures of the Transaction are deemed to be fair.

4 Consultation Matter (4) (Taking into consideration (1) through (3) above, whether the Transaction is deemed to be fair to general shareholders of the Company)

As evaluated in the Consultation Matters (1) through (3) above, the Transaction is deemed to contribute to enhancement of the corporate value of the Company, and the purpose of the Transaction is deemed to be reasonable. In addition, the terms and conditions and procedures of the Transaction are deemed to be fair. Therefore, the Transaction is deemed to be fair to general shareholders of the Company (with respect to the Company's Stock Acquisition Rights, if the Offeror acquires the Company's Stock Acquisition Rights through the Tender Offer, the Offeror shall not be able to exercise them and the Company's Stock Acquisition Rights shall have no economic value. Therefore, it is economically reasonable and appropriate that the Stock Acquisition Right Purchase Price is set at 1 yen, which is also fair for Company's Stock Acquisition Right Holders.).

5 Consultation Matter (5) (Whether it is appropriate for the Company's board of directors to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer)

Taking into consideration (1) through (4) above, the Transaction is deemed to be fair to general

shareholders of the Company and the Company's Stock Acquisition Right Holders, and it may not be deemed to be unreasonable that the Company's board of directors expresses an opinion in favor of the Tender Offer and, to the Company's shareholders, recommends that they tender their shares to the Tender Offer, and to the Company's Stock Acquisition Right Holders that whether they shall tender their shares in the Tender Offer shall be determined by them (for the reason that the Stock Acquisition Right Purchase Price is 1 yen).

6 Conclusion

The reasons for the report on the Consultation Matters by the Special Committee are as described above, and the Special Committee unanimously reports the Consultation Matters as explained in the section "Part 2".

End

Notice: This document is a partial translation of the original Japanese document and is provided for reference purposes only. In the event of any discrepancy between this translation and the original Japanese document, the latter shall prevail.

November 6, 2026

News Release

Address: 20-8 Kasuga 3-chome, Suita, Osaka, Japan

Company name: SHIP HEALTHCARE HOLDINGS, INC.

Representative: Futoshi Ohashi, President

(Shares listed on Prime Market, Tokyo Stock Exchange, code: 3360)

Contact: Hiroshi Yokoyama, Executive Vice President

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(Summary) Notice Concerning the Commencement of a Tender Offer for Share Certificates, Etc. in CHARM CARE CORPORATION (Securities code: 6062)

Notice is hereby given that SHIP HEALTHCARE HOLDINGS, INC. (the "**Tender Offeror**"), at the meeting of its Board of Directors held on November 6, 2026, resolved to acquire the share certificates, etc. in CHARM CARE CORPORATION (the "**Target Company**," listed on the Prime Market of the Tokyo Stock Exchange ("**TSE**") under the securities code: 6062) through a tender offer in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (the "**Tender Offer**") as follows.

1. Overview of the Tender Offer

Purpose of the Tender Offer	Making the Target Company a wholly-owned subsidiary
Tender Offer Period	From November 9, 2026 (Monday) to December 21, 2026 (Monday) (30 business days)
Purchase price	(1) Common stock: 1,970 yen per share (2) Stock acquisition rights (i) First Stock Acquisition Rights (share-based compensation stock options) issued pursuant to the resolution of the Target Company's Board of Directors on September 26, 2017: 1 yen per right (ii) Second Stock Acquisition Rights (share-based compensation stock options) issued pursuant to the resolution of the Target Company's Board of Directors on September 26, 2018: 1 yen per right (iii) Third Stock Acquisition Rights (share-based compensation stock options) issued pursuant to the resolution of the Target Company's Board of Directors on September 25, 2019: 1 yen per right

	(iv) Fourth Stock Acquisition Rights (share-based compensation stock options) issued pursuant to the resolution of the Target Company's Board of Directors on September 25, 2020: 1 yen per right ※ The First Stock Acquisition Rights through the Fourth Stock Acquisition Rights are hereinafter collectively referred to as the "**Stock Acquisition Rights**".
Minimum number of shares to be purchased	12,194,500 (shares)
Maximum number of shares to be purchased	― (shares)
Target Company's opinion	The Target Company has resolved to express its support for the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer, and to leave the decision as to whether to tender in the Tender Offer to the discretion of the holders of the Stock Acquisition Rights (the "**Stock Acquisition Right Holders**").

2. Purpose of the Tender Offer

(1) Outline of the Purpose of the Tender Offer

As of today, the Tender Offeror indirectly owns 9,600,000 shares (shareholding ratio (Note 1): 29.33%) in the Target Company's common stock (the "**Target Company Stock**") listed on the TSE Prime Market through STK Co., Ltd. ("**STK**"), the largest shareholder of the Target Company and a wholly-owned subsidiary of the Tender Offeror, and holds the Target Company as an equity-method affiliate. The Tender Offeror does not directly own any shares in the Target Company Stock, nor does it indirectly own any such shares through any person other than STK (Note 2).

(Note 1) The "shareholding ratio" means the ratio (rounded to the second decimal place) to the number of shares (32,733,480 shares; the "**Fully Diluted Shares Outstanding**") obtained by: deducting, from the total number of outstanding shares in the Target Company as of September 30, 2026 (32,712,000 shares) as stated in the "Consolidated Financial Results for the Three Months of the Fiscal Year Ending June 30, 2027 (Under Japanese GAAP)" published by the Target Company on November 6, 2026 (the "**Target Company's Financial Results Brief**"), the number of treasury shares (20,240 shares) calculated by subtracting the number of treasury shares disposed of in connection with the grant of Target Company Stock as restricted stock to four directors of the Target Company on October 27, 2026 (10,400 shares) from the number of treasury shares held by the Target Company as of September 30, 2026 (30,640 shares) as stated in the Target Company's Financial Results Brief (32,691,760 shares); and adding the number of shares in the Target Company Stock (41,720 shares) underlying the 2,144 Stock Acquisition Rights remaining and exercisable as of September 30, 2026, as reported by the Target Company. The same shall apply hereinafter for describing the shareholding ratio unless otherwise specified.

(Note 2) The Tender Offeror has confirmed with STK that STK does not intend to tender any of the shares in the Target Company Stock owned by it (the number of shares owned: 9,600,000 shares (shareholding ratio: 29.33%)) in the Tender Offer.

The Tender Offeror resolved, at the meeting of its Board of Directors held on November 6, 2026, to implement the Tender Offer as part of a series of transactions aimed at making the Target Company a wholly-owned subsidiary of the Tender Offeror by acquiring all shares in the Target Company Stock listed on the TSE Prime Market (provided, however, that this shall include the shares in the Target Company Stock to be delivered upon the exercise of the Stock Acquisition Rights, and shall exclude the shares in the Target Company Stock indirectly

owned by the Tender Offeror through STK and the treasury shares held by the Target Company; the same shall apply hereinafter) and all of the Stock Acquisition Rights (the "**Transaction**").

In implementing the Tender Offer, the Tender Offeror entered into the tender agreement relating to the Tender Offer (the "**Tender Agreement**") as of November 6, 2026 with Mr. Takahiko Shimomura ("**Mr. Shimomura**"), the second largest shareholder and Representative Director, Chairman and CEO of the Target Company, pursuant to which Mr. Shimomura agreed to tender in the Tender Offer 5,280,000 shares (shareholding ratio: 16.13%) out of the 5,313,600 shares (shareholding ratio: 16.23%) in the Target Company Stock owned by him, excluding 33,600 restricted shares, and agreed not to exercise any of the 1,740 stock acquisition rights owned by him (the number of underlying shares: 34,110 shares) (shareholding ratio: 0.10%) ("**Mr. Shimomura's Stock Acquisition Rights Not to be Tendered**"), not to tender them in the Tender Offer, and to waive them if the Tender Offer is completed.

The Tender Offeror has set the minimum number of shares to be purchased at 12,194,500 shares (shareholding ratio: 37.25%). If the total number of share certificates, etc. tendered in the Tender Offer (the "**Tendered Share Certificates, etc.**") is less than the minimum number of shares to be purchased (12,194,500 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, etc. On the other hand, as the Tender Offeror intends to acquire all of the Target Company Stock and all of the Stock Acquisition Rights through the Tender Offer, the Tender Offeror has not set the maximum number of shares to be purchased and will purchase all of the Tendered Share Certificates, etc. if the total number of Tendered Share Certificates, etc. is no less than the minimum number of shares to be purchased (12,194,500 shares).

The minimum number of shares to be purchased (12,194,500 shares) is obtained by: multiplying the number of voting rights (326,917 rights) pertaining to the number of shares (32,691,760 shares) calculated by deducting the number of shares underlying the 2,144 Stock Acquisition Rights (41,720 shares) from the Fully Diluted Shares Outstanding (Note 3) by two-thirds (217,945 rights (rounded up to the nearest whole number)); deducting from such number the number of voting rights (96,000 rights) pertaining to the Target Company Stock indirectly owned by the Tender Offeror as of today (9,600,000 shares) (resulting in 121,945 rights); and multiplying the resulting number by the number of shares constituting one share unit of the Target Company (100 shares), so that the total number of voting rights in the Target Company to be directly or indirectly owned by the Tender Offeror upon the completion of the Tender Offer will be at least two-thirds of the total number of voting rights of the Target Company. The minimum number has been set as described above because the Tender Offeror intends to make the Target Company its wholly-owned subsidiary through the Transaction. If the Tender Offer is completed but the Tender Offeror fails to acquire all of the Target Company Stock and all of the Stock Acquisition Rights through the Tender Offer and the procedures for a consolidation of shares described in "(3) Policy on Organizational Restructuring, etc. after the Tender Offer" below are implemented, a special resolution at a general meeting of shareholders as prescribed in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "**Companies Act**") will be required, and the Tender Offeror intends to ensure that such requirement can be satisfied solely by the Tender Offeror and STK (collectively, the "**Tender Offeror Parties**").

(Note 3) The Stock Acquisition Rights are held only by Mr. Shimomura and Mr. Shiro Kokaji ("**Mr. Kokaji**"), the Representative Director, President and COO of the Target Company. The Tender Offeror has not taken into account the number of shares in the Target Company Stock underlying the Stock Acquisition Rights (total: 41,720 shares) in setting the minimum number of shares to be purchased, because: (i) under the Tender Agreement entered into between the Tender Offeror and Mr. Shimomura, Mr. Shimomura has agreed not to exercise the Stock Acquisition Rights, not to tender the Stock Acquisition Rights in the Tender Offer, and to waive the Stock Acquisition Rights if the Tender Offer is completed; (ii) the Tender Offeror has confirmed with Mr. Kokaji that Mr. Kokaji intends not to exercise the Stock Acquisition Rights, not to tender the Stock Acquisition Rights in the Tender Offer, and to waive the Stock Acquisition Rights if the Tender Offer is completed; and (iii) as described under "③ Waiver, etc. of the Stock Acquisition Rights" in "(3) Policy on Organizational Restructuring, etc. after the Tender Offer" below, if the Tender Offer is completed, the Tender Offeror plans to request the Target Company to implement, or itself implement, the procedures reasonably necessary for the execution of the Transaction, such as

the acquisition and cancellation of the Stock Acquisition Rights or the recommendation to the Stock Acquisition Right Holders to waive the Stock Acquisition Rights, and the Target Company intends to cooperate with such request upon receipt thereof.

If the Tender Offer is completed but the Tender Offeror fails to acquire all of the Target Company Stock and all of the Stock Acquisition Rights through the Tender Offer, the Tender Offeror plans to implement, after the completion of the Tender Offer, a series of procedures to make the Tender Offeror Parties the sole shareholders of the Target Company (the "**Squeeze-out Procedures**"). For an overview of the Squeeze-out Procedures, please refer to "(3) Policy on Organizational Restructuring, etc. after the Tender Offer" below.

The Tender Offeror plans to fund the purchase price required for the Transaction including the Tender Offer with its own funds and a loan of up to 32,500 million yen from Sumitomo Mitsui Banking Corporation ("**SMBC**") (the "**Bank Loan**"), and plans to receive the Bank Loan, subject to the completion of the Tender Offer and other conditions, by the business day immediately preceding the commencement date of settlement of the Tender Offer. The details of the lending conditions of the Bank Loan will be separately discussed with SMBC and set forth in the loan agreement relating to the Bank Loan.

According to the "Notice Concerning Opinion in Favor of Tender Offer for the Company's Shares, Etc. by SHIP HEALTHCARE HOLDINGS, INC., the parent company of other associated company, and Recommendation to Tender" published by the Target Company on November 6, 2026 (the "**Target Company's Press Release**"), the Target Company has resolved at the meeting of its Board of Directors held on November 6, 2026 to express its support for the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer, and to leave the decision as to whether to tender in the Tender Offer to the discretion of the Stock Acquisition Right Holders.

(2) Background, Purposes, and Decision-Making Process leading to implementation of the Tender Offer by the Tender Offeror, and Background and Basis of Calculation of the Purchase Price

① Background, purposes, and decision-making process leading to implementation of the Tender Offer by the Tender Offeror

The capital relationship between the Tender Offeror and the Target Company began in May 2020, when the Tender Offeror entered into a business alliance agreement with the Target Company dated May 12, 2020 (the "**Business Alliance Agreement 2020**") for the purpose of differentiating themselves from competitors and jointly enhancing their corporate value by strengthening collaboration in terms of both human resources and services and mutually and effectively utilizing their respective areas of expertise and capital resources in their businesses, and acquired all of the issued shares in STK, which owns 9,600,000 shares (shareholding ratio: 29.33%) in the Target Company's common stock, thereby indirectly owning shares in the Target Company and making the Target Company an equity-method affiliate of the Tender Offeror. As agreed in the Business Alliance Agreement 2020, the Tender Offeror and the Target Company have been working on, among others: (i) promoting occupancy (in the services provided by both companies) through approaches to diverse customer segments (promoting approaches to customer segments with different areas, targets, etc.); (ii) accelerating new facility openings and expanding business areas by strengthening the development structure and sharing property information (mutual utilization of facility development know-how and sharing of and collaboration on property information including healthcare-related facilities); (iii) strengthening recruitment and development of human resources including foreign personnel (securing stable recruitment channels through joint acceptance of technical interns, etc. and personnel exchanges through mutual participation in education and training opportunities); and (iv) promoting mutual use of products and services (mutual utilization of nursing care-related systems and data, and promoting preferential use of each of the major businesses operated by the Tender Offeror). In addition, as of today, one person nominated by the Tender Offeror (Mr. Kenji Nishikado) serves as an outside director of the Target Company.

However, as long as the Target Company remains an equity-method affiliate of the Tender Offeror, the items of the Target Company's financial statements, such as sales, profits, assets and liabilities, are not directly reflected in the corresponding items of the Tender Offeror's financial statements, and only the portion of the Target Company's net income corresponding to the Tender Offeror's equity interest in the Target Company Stock is reflected in the Tender Offeror's consolidated financial results. Accordingly, even if the Tender Offeror invests management resources in the Target Company, it cannot enjoy the benefits of the enhanced corporate value of the Target Company commensurate with such investment (it can only enjoy the portion of the Target Company's net income corresponding to its equity interest in the Target Company Stock), and from the perspective of accountability to the Tender Offeror's shareholders, it is difficult for the Tender Offeror to make large-scale investments of management resources from a medium- to long- term perspective; thus, there are limitations in deepening the collaboration with the Target Company and enhancing corporate value in an integrated manner. In addition, from the perspective of the need to give consideration to the Target Company's general shareholders, there are unavoidably certain restrictions on the mutual utilization of management resources and integrated and swift decision-making, and it has been difficult to fully pursue the maximization of synergies under the Business Alliance Agreement 2020.

Under such circumstances, in early June 2026, the Tender Offeror was approached by Mr. Shimomura regarding the sale of the Target Company Stock held by him, which triggered discussions between the Tender Offeror and Mr. Shimomura regarding the Target Company's capital policy, including the option of making the Target Company a wholly-owned subsidiary of the Tender Offeror. The Tender Offeror considered that, in order to achieve business growth while continuing to provide highly satisfactory solutions that meet all needs in the healthcare business domain, it is necessary to further strengthen the business collaboration between the group consisting of the Tender Offeror, its 50 consolidated subsidiaries and five equity-method affiliates (the "**Tender Offeror Group**") and the group consisting of the Target Company and its three consolidated subsidiaries (the "**Target Company Group**"), and around mid-July 2026, began considering making the Target Company a wholly-owned subsidiary of the Tender Offeror.

The Tender Offeror considers that, by further deepening the cooperative relationship between the Tender Offeror and the Target Company through further promotion of the business alliance, the Tender Offeror Group and the Target Company Group will be able to expand and streamline their businesses, and that synergies can be expected through the measures described in (i) through (iv) below.

(i) Accelerating New Facility Openings and Expanding Business Areas by Strengthening the Development Structure and Sharing Property Information

The Tender Offeror Group operates and supports retirement homes (including fee-based long-term care retirement homes, group homes, small-scale multifunctional facilities, etc.; the same shall apply hereinafter) as its Life Care Business.

On the other hand, the Tender Offeror considers that the Target Company Group, given its history of operating retirement homes as its nursing care business and conducting real estate development business mainly targeting healthcare properties, has one-stop capabilities and know-how covering everything from land acquisition to development and facility operation.

Although the Tender Offeror and the Target Company have been promoting their business alliance since the conclusion of the Business Alliance Agreement 2020, as the Target Company remains an equity-method affiliate and each company formulates its development policy and investment plans independently, there have been certain limitations on collaboration in sharing property information and considering development projects. After the Transaction, as a wholly-owned parent-subsidiary relationship will be formed between the Tender Offeror and the Target Company, the Tender Offeror will consider sharing more broadly the property information, expertise in facility development and networks with business partners, etc. held by the two companies, and building a structure for collaboration from the stage of formulating development policies and investment plans. The Tender Offeror considers that this will enable an appropriate allocation of roles in development projects based on both companies' facilities portfolios, locations, price ranges, and other relevant factors, leading to the expansion of

opportunities for new retirement home openings in both the Tender Offeror Group and the Target Company Group through effective utilization of property information and more efficient project review.

In addition, the Tender Offeror considers that incorporating the Target Company Group through the Tender Offer will increase the business scale of the Tender Offeror Group including the Target Company Group and its market share in the retirement home industry, thereby improving its position in the industry, which will enable further business expansion of the retirement home business through M&A and other means.

(ii) Development of Services to Meet Diverse Customer Needs

The Tender Offeror Group and the Target Company Group differ in terms of the locations, price ranges and characteristics of the retirement homes they operate, and the Tender Offeror considers that the facility portfolios of both groups complement each other. After the Transaction, the Tender Offeror will consider building a structure in which both groups share their respective facility information, expertise in occupancy consultation and sales and public relations know-how, and provide information on appropriate options in accordance with the preferences, levels of required nursing care, medical and nursing care needs, price ranges, desired areas, etc. of persons considering moving in. The Tender Offeror considers that this will contribute to promoting occupancy through enhanced capabilities to respond to occupancy consultations and strengthened customer touchpoints, leveraging the complementary nature of the two groups' facility portfolios.

(iii) Mutual Use of Products and Services and Sharing of Operational Know-how

The Tender Offeror Group and the Target Company Group have already been working on, among others, the introduction of nursing care bathtubs and provision of meals by the Tender Offeror Group at some of the Target Company Group's facilities. However, at present, such initiatives are limited to individual products and services and certain facilities. After the Transaction, the Tender Offeror will individually consider the possibility of expanding the use of products and services that contribute to improving facility operations and service quality, taking into account the quality of services provided by the Target Company Group, existing business relationships, and economic rationality. In addition, the Tender Offeror considers that sharing the practical know-how of the two groups in areas such as dispensing pharmacies, meal services, selection and maintenance of nursing care equipment, and operational efficiency of facility operations will contribute to both maintaining and improving service quality and enhancing operational efficiency.

(iv) Enhancing Recruitment Capabilities and Retention Rates by Sharing Recruitment and Training Platforms

After the Transaction, the Tender Offeror will consider establishing a common group platform for recruitment, acceptance and development of human resources including foreign personnel, by utilizing the expertise and systems held by each of the Tender Offeror Group and the Target Company Group with respect to recruitment channels, structures for accepting foreign personnel, and training and qualification acquisition support. The Tender Offeror considers that this will expand recruitment channels and increase opportunities for human resource development, thereby contributing to strengthening recruitment capabilities and staff retention.

In addition, even if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror and ceases to be a listed company, the Tender Offeror considers that the disadvantages to the Target Company will be limited, given that: (i) the Target Company will be able to utilize the Tender Offeror's creditworthiness, and thus any adverse impact on its credibility with customers and business partners is expected to be extremely limited; (ii) the Target Company will be able to adopt the most efficient fund-raising method for both companies by leveraging the Tender Offeror's creditworthiness and utilizing the Tender Offeror Group's funds, etc.; and (iii) in terms of recruitment, the Target Company will be able to continue to secure a foundation for recruiting talented human resources by utilizing the brand and platform of the Tender Offeror Group.

② Background and Basis of Calculation of the Purchase Price

(i) Target Company Stock

In order to ensure the fairness of the purchase price per share of the Target Company Stock in the Tender Offer (the "**Tender Offer Price**"), in determining the Tender Offer Price, the Tender Offeror requested Daiwa Institute of Research Ltd. ("**Daiwa Institute of Research**"), its financial advisor, as a third-party valuator independent of the Tender Offeror and the Target Company, to calculate the share value of the Target Company Stock.

After examining the Target Company's financial condition, the trends in the market price of the Target Company Stock and other factors, Daiwa Institute of Research considered it appropriate to evaluate the share value from multiple perspectives, and after considering which calculation methods to adopt among multiple share valuation methods, calculated the share value of the Target Company Stock using the market price method, the comparable companies method and the discounted cash flow method (the "**DCF Method**"), and the Tender Offeror obtained from Daiwa Institute of Research a share valuation report on the share value of the Target Company Stock (the "**Tender Offeror's Share Valuation Report**") dated November 5, 2026.

Daiwa Institute of Research is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Tender Offer. In addition, the Tender Offeror has not obtained from Daiwa Institute of Research an opinion on the fairness of the Tender Offer Price (fairness opinion), as the Tender Offeror considers that sufficient consideration has been given to the interests of the Target Company's general shareholders by implementing the measures to ensure fairness of the Tender Offer.

The results of the calculation of the per-share value of the Target Company Stock by Daiwa Institute of Research are as follows:

Market price method: 1,362 yen to 1,445 yen

Comparable companies method: 1,202 yen to 1,780 yen

DCF Method: 1,601 yen to 2,075 yen

Under the market price method, with November 5, 2026 as the calculation base date, the range of the per-share value of the Target Company Stock was calculated to be from 1,362 yen to 1,445 yen, based on the closing price of the Target Company Stock on the TSE Prime Market on the calculation base date (1,445 yen), the simple average closing price for the most recent one month (from October 6, 2026 to November 5, 2026) (1,390 yen), the simple average closing price for the most recent three months (from August 6, 2026 to November 5, 2026) (1,405 yen) and the simple average closing price for the most recent six months (from May 6, 2026 to November 5, 2026) (1,362 yen).

Under the comparable companies method, AS PARTNERS Co., Ltd., CARE TWENTYONE CORPORATION, CEDAR Co., Ltd., UCHIYAMA HOLDINGS Co., Ltd., Living Platform, Ltd., T.S.I Co., Ltd. and FB Care Service Co., Ltd. were selected as listed companies engaged in businesses relatively similar to those of the Target Company, and the share value of the Target Company was calculated through comparison with market prices and financial indicators showing profitability, resulting in a range of the per-share value of the Target Company Stock from 1,202 yen to 1,780 yen.

Under the DCF Method, the corporate value and share value of the Target Company were evaluated by discounting to present value at a certain discount rate the free cash flows expected to be generated by the Target Company from the fiscal year ending June 2027 onward, based on the business plan for the three fiscal years from the fiscal year ending June 2027 through the fiscal year ending June 2029 provided by the Target Company (the "**Business Plan**"), taking into account various factors such as the results of the due diligence conducted by the Tender Offeror on the Target Company from mid-September 2026 to mid-October 2026, the recent trends in business performance, and publicly available information such as the annual securities reports and financial results presentation materials disclosed by the Target Company, resulting in a range of the per-share value of the Target Company Stock from 1,601 yen to 2,075 yen. The synergies expected to be realized through the execution of the Tender Offer have not been reflected, as it is difficult to specifically estimate their impact on earnings as of today.

Taking into comprehensive consideration the calculation results in the Tender Offeror's Share Valuation Report obtained from Daiwa Institute of Research, as well as the results of the due diligence conducted by the Tender Offeror on the Target Company, whether the Target Company's Board of Directors would support the Tender Offer, and the trends in the market price of the Target Company Stock, and in light of, among other things, the results of discussions and negotiations with the Target Company, the Tender Offeror ultimately decided, by a resolution of its Board of Directors held on November 6, 2026, to set the Tender Offer Price at 1,970 yen per share.

The Tender Offer Price of 1,970 yen represents a premium of 36.33% on the closing price of the Target Company Stock on the TSE Prime Market (1,445 yen) on November 5, 2026, the business day immediately preceding the date of announcement of the implementation of the Tender Offer, a premium of 41.73% on the simple average closing price for the one-month period up to that date (1,390 yen), a premium of 40.21% on the simple average closing price for the three-month period up to that date (1,405 yen), and a premium of 44.64% on the simple average closing price for the six-month period up to that date (1,362 yen).

(ii) **Stock Acquisition Rights**

All of the Stock Acquisition Rights were issued to the directors of the Target Company as stock options, and as a condition for exercise, the Stock Acquisition Right Holders may exercise them only within the period until 10 days (or, if the 10th day falls on a holiday, the following business day) have elapsed from the day on which they lose their position as directors of the Target Company. Accordingly, since the Tender Offeror would not be able to exercise the Stock Acquisition Rights even if it acquired them through the Tender Offer, the Tender Offeror has decided to set the purchase price per Stock Acquisition Right in the Tender Offer (the "**Stock Acquisition Right Purchase Price**") at 1 yen for each series.

(3) Policy on Organizational Restructuring, etc. after the Tender Offer

If the Tender Offeror fails to acquire all of the Target Company Stock through the Tender Offer, the Tender Offeror plans to implement the following Squeeze-out Procedures after the completion of the Tender Offer.

① **Demand for Shares Cash-out**

If, as a result of the completion of the Tender Offer, the Tender Offeror Parties come to own 90% or more of the voting rights of all shareholders of the Target Company and the Tender Offeror becomes a special controlling shareholder as prescribed in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror plans to, promptly after the completion of the settlement of the Tender Offer and pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act, demand that all of the shareholders of the Target Company (excluding the Tender Offeror Parties and the Target Company) (the "**Shareholders Subject to Cash-out**") sell all of the Target Company Stock owned by them (the "**Demand for Shares Cash-out**"). In the Demand for Shares Cash-out, the Tender Offeror plans to provide that an amount of money equal to the Tender Offer Price will be delivered to the Shareholders Subject to Cash-out as consideration for each share in the Target Company Stock. In such case, the Tender Offeror will notify the Target Company to that effect and request the Target Company's approval of the Demand for Shares Cash-out. If the Target Company approves the Demand for Shares Cash-out by a resolution of its Board of Directors, the Tender Offeror will, in accordance with the procedures prescribed by relevant laws and regulations and without requiring individual consent from the Shareholders Subject to Cash-out, acquire all the shares in the Target Company Stock owned by the Shareholders Subject to Cash-out as of the acquisition date specified in the Demand for Shares Cash-out. The Tender Offeror then plans to deliver to each Shareholder Subject to Cash-out an amount of money equal to the Tender Offer Price as consideration for each share in the Target Company Stock owned by such Shareholder Subject to Cash-out.

According to the Target Company's Press Release, if the Target Company receives from the Tender Offeror a notice of its intention to make the Demand for Shares Cash-out and of the matters set forth in each item of Article

179-2, Paragraph 1 of the Companies Act, the Target Company plans to approve the Demand for Shares Cash-out at its Board of Directors meeting.

As a procedure under the Companies Act for the purpose of protecting the rights of minority shareholders in connection with the above procedures, if the Demand for Shares Cash-out is made, the Shareholders Subject to Cash-out may file a petition with the court for a determination of the sale price of the shares in the Target Company Stock owned by them in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations. If such petition is filed, the sale price of the shares in the Target Company Stock will be ultimately determined by the court.

With respect to the restricted shares granted to the directors of the Target Company (the "**Restricted Shares**"), the allotment agreements provide that, if, during the transfer restriction period, matters concerning a demand for share cash-out covering the Target Company's common stock are approved by the Target Company's Board of Directors (limited to cases where the acquisition date of the shares subject to cash-out (the "**Cash-out Effective Date**") falls before the expiration of the transfer restriction period), the transfer restrictions on all of the Restricted Shares held by the grantee as of the date of such approval shall be lifted, by a resolution of the Target Company's Board of Directors, immediately before the business day immediately preceding the Cash-out Effective Date. In the Squeeze-out Procedures, the Restricted Shares for which the transfer restrictions are lifted immediately before the business day immediately preceding the Cash-out Effective Date in accordance with the above provisions of the allotment agreements will be subject to the Demand for Shares Cash-out.

② **Share Consolidation**

If, after the completion of the Tender Offer, the Tender Offeror Parties do not come to own 90% or more of the voting rights of all shareholders of the Target Company, the Tender Offeror plans to request the Target Company, promptly after the completion of the settlement of the Tender Offer, to hold an extraordinary general meeting of shareholders around March 2027 (the "**Extraordinary Shareholders' Meeting**"), the agenda of which will include proposals for a consolidation of shares of the Target Company Stock pursuant to Article 180 of the Companies Act (the "**Share Consolidation**") and for a partial amendment to the articles of incorporation to abolish the provisions on the share unit number subject to the Share Consolidation becoming effective.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Target Company will, as of the effective date of the Share Consolidation, own the number of shares in the Target Company Stock corresponding to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. If any fractional shares of less than one share arise as a result of the Share Consolidation, the shareholders of the Target Company holding such fractional shares will receive an amount of money obtained by selling to the Target Company or the Tender Offeror, or otherwise, the shares in the Target Company Stock equivalent to the total number of such fractional shares (if the total number includes any fraction of less than one share, such fraction will be rounded down; the same shall apply hereinafter), in accordance with Article 235 of the Companies Act and other relevant laws and regulations. The Tender Offeror plans to request the Target Company to file a petition with the court for permission for voluntary sale after calculating the sale price of the shares in the Target Company Stock equivalent to the total number of such fractional shares so that the amount of money to be delivered as a result of such sale to the shareholders of the Target Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror Parties and the Target Company) will be equal to the amount obtained by multiplying the Tender Offer Price by the number of shares in the Target Company Stock owned by each such shareholder. Although the ratio of the Share Consolidation has not yet been determined as of today, the Tender Offeror plans to request the Target Company to determine the ratio so that the number of shares in the Target Company Stock owned by the shareholders of the Target Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror Parties and the Target Company) will be a fraction of less than one share, with the aim that only the Tender Offeror Parties will own all the shares in the Target Company Stock (excluding the treasury shares held by the Target Company). According to the Target

Company's Press Release, the Target Company intends to comply with these requests if it receives them from the Tender Offeror.

As provisions for the purpose of protecting the rights of minority shareholders in connection with the Share Consolidation, the Companies Act provides that, if the Share Consolidation is implemented and results in fractional shares of less than one share, the shareholders of the Target Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror Parties and the Target Company) may, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, demand that the Target Company purchase at a fair price all of the shares owned by them that will become fractional shares of less than one share, and may file a petition with the court for a determination of the price of the shares in the Target Company Stock. If such petition is filed, the purchase price will be ultimately determined by the court.

With respect to the Restricted Shares, the allotment agreements provide that, if, during the transfer restriction period, a consolidation of shares (limited to cases where the Restricted Shares held by the grantee will become only fractional shares of less than one share as a result of such consolidation of shares) is approved at a general meeting of shareholders of the Target Company (limited to cases where the effective date of such consolidation of shares (the "**Share Consolidation Effective Date**") falls before the expiration of the transfer restriction period), the transfer restrictions on all of the Restricted Shares held by the grantee as of the date of such approval shall be lifted, by a resolution of the Target Company's Board of Directors, immediately before the business day immediately preceding the Share Consolidation Effective Date. In the Squeeze-out Procedures, the Restricted Shares for which the transfer restrictions are lifted immediately before the business day immediately preceding the Share Consolidation Effective Date in accordance with the above provisions of the allotment agreements will be subject to the Share Consolidation.

③ **Waiver, etc. of the Stock Acquisition Rights**

If the Tender Offer is completed, the Tender Offeror plans to request the Target Company to implement the procedures reasonably necessary for the execution of the Transaction, such as the acquisition and cancellation of the Stock Acquisition Rights or the recommendation to the Stock Acquisition Right Holders to waive the Stock Acquisition Rights. The Target Company intends to cooperate with such request upon receipt thereof.

The specific procedures and the timing of implementation thereof in the above cases will be promptly announced by the Target Company once determined upon discussion between the Tender Offeror and the Target Company. The Stock Acquisition Right Holders are only Mr. Shimomura and Mr. Kokaji, and (i) Mr. Shimomura has agreed, in the Tender Agreement entered into with the Tender Offeror, not to exercise the Stock Acquisition Rights, not to tender the Stock Acquisition Rights in the Tender Offer, and to waive the Stock Acquisition Rights if the Tender Offer is completed, and (ii) the Tender Offeror has confirmed with Mr. Kokaji that Mr. Kokaji intends not to exercise the Stock Acquisition Rights, not to tender the Stock Acquisition Rights in the Tender Offer, and to waive the Stock Acquisition Rights if the Tender Offer is completed.

With respect to each of the procedures in ① through ③ above, depending on the circumstances such as amendments to, enforcement of and interpretation by the authorities of relevant laws and regulations, it may take time to implement them or the method of implementation may change. However, even in such case, if the Tender Offer is completed, the method of ultimately delivering money to the shareholders of the Target Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror Parties and the Target Company) is planned to be adopted, and the amount of money to be delivered to such shareholders in such case is planned to be calculated so as to be equal to the amount obtained by multiplying the Tender Offer Price by the number of shares in the Target Company Stock owned by each such shareholder. In addition, if money is to be delivered to the Stock Acquisition Right Holders who did not tender their Stock Acquisition Rights in the Tender Offer, the amount of money is planned to be calculated so as to be equal to the amount obtained by multiplying the Stock Acquisition Right Purchase Price in the Tender Offer by the number of the relevant Stock Acquisition Rights of

the Target Company owned by each such Stock Acquisition Right Holder. The specific procedures and the timing of implementation thereof in each of the above cases will be promptly announced by the Target Company once determined upon discussion between the Tender Offeror and the Target Company.

The Tender Offer is not intended in any way to solicit the approval of the shareholders of the Target Company at the Extraordinary Shareholders' Meeting. Shareholders of the Target Company are requested to consult with tax accountants or other professionals at their own responsibility regarding the tax treatment of tendering in the Tender Offer or of each of the above procedures.

(4) Expected Delisting and Reasons Therefor

As of today, the Target Company Stock is listed on the TSE Prime Market. However, since the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Target Company Stock may be delisted through prescribed procedures in accordance with the delisting criteria of TSE. In addition, even if the Target Company Stock does not fall under such criteria at the time of the completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze-out Procedures after the completion of the Tender Offer as described in "(3) Policy on Organizational Restructuring, etc. after the Tender Offer" above, and if such procedures are implemented, the Target Company Stock will be delisted through prescribed procedures in accordance with the delisting criteria of TSE. After delisting, the Target Company Stock will no longer be traded on the TSE Prime Market.

3. Overview of the Target Company and Terms and Conditions of the Tender Offer

(1) Overview of the Target Company

(i) Name	CHARM CARE CORPORATION	
(ii) Location	3-6-32, Nakanoshima, Kita-ku, Osaka-shi, Osaka	
(iii) Job title and name of representative	Takahiko Shimomura, Representative Director, Chairman and CEO	
(iv) Description of business	Nursing care business (operation of fee-based long-term care retirement homes and residential-type fee-based retirement homes) and other businesses (temporary staffing business, etc.)	
(v) Share capital	2,759 million yen (as of June 30, 2026)	
(vi) Date of establishment	August 22, 1984	
(vii) Major shareholders and ownership ratios (as of June 30, 2026) (Note)	STK Co., Ltd.	29.37%
	Takahiko Shimomura	16.24%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	7.08%
	Custody Bank of Japan, Ltd. (Trust Account)	3.88%
	NORTHERN TRUST CO.(AVFC)RE IEDP AIF CLIENTS NONLENDING 15PCT TREATY ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	2.10%
	UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing proxy: Citibank, N.A., Tokyo Branch)	1.53%
	STATE STREET BANK AND TRUST COMPANY 505044 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1.50%

	THE BANK OF NEW YORK-JASDECNON-TREATY ACCOUNT (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1.30%
	Tokyu Land Corporation	1.21%
	Hiroyuki Yoshioka	1.16%

(viii) Relationship between the Tender Offeror and the Target Company

Capital relationship	As of today, the Tender Offeror indirectly owns 9,600,000 shares in the Target Company Stock (shareholding ratio: 29.33%) through STK, a wholly-owned subsidiary of the Tender Offeror, and holds the Target Company as an equity-method affiliate.
Personnel relationship	As of today, one of the seven directors of the Target Company is an outside director assigned from the Tender Offeror.
Business relationship	The Tender Offeror has entered into the Business Alliance Agreement 2020 with the Target Company. In addition, there are business relationships between the Tender Offeror Group and the Target Company, including outsourcing of meal services and purchase of supplies and nursing care products, etc.
Related party relationship	The Target Company is an equity-method affiliate of the Tender Offeror and constitutes a related party.

(Note) "(vii) Major shareholders and ownership ratios (as of June 30, 2026)" are based on the "Major shareholders" described in the Target Company's Annual Securities Report for the 42nd fiscal year filed by the Target Company on September 28, 2026.

(2) Schedule, etc.

① **Schedule**

Date of the resolution by the Board of Directors	November 6, 2026 (Friday)
Date of public notice of commencement of tender offer	November 9, 2026 (Monday) Public notice will be made electronically and a notice thereof will be published in the Nihon Keizai Shimbun (URL of electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Date of filing the Tender Offer Registration Statement	November 9, 2026 (Monday)

② **Tender Offer Period**

From November 9, 2026 (Monday) to December 21, 2026 (Monday) (30 business days)

③ **Possibility of extending the above period upon request of the Target Company**

Not applicable.

(3) Purchase Price

Common Stock: 1,970 yen per share

First Stock Acquisition Rights: 1 yen per right

Second Stock Acquisition Rights: 1 yen per right

Third Stock Acquisition Rights: 1 yen per right

Fourth Stock Acquisition Rights: 1 yen per right

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

Class of Share Certificates, etc.	Number of Share Certificates, etc. to be Purchased	Minimum Number of Share Certificates, etc. to be Purchased	Maximum Number of Share Certificates, etc. to be Purchased
Common Stock	23,091,760 (shares)	12,194,500 (shares)	― (shares)
Total	23,091,760 (shares)	12,194,500 (shares)	― (shares)

(Note 1) If the total number of Tendered Share Certificates, etc. (including the number of shares in the Target Company Stock underlying the Stock Acquisition Rights tendered in the Tender Offer; the same shall apply hereinafter) is less than the Minimum Number of Share Certificates, etc. to be Purchased (12,194,500 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, etc. If the total number of the Tendered Share Certificates, etc. is no less than the Minimum Number of Share Certificates, etc. to be Purchased, the Tender Offeror will purchase all the Tendered Share Certificates, etc.

(Note 2) The Tender Offeror has not set the Maximum Number of Share Certificates, etc. to be Purchased in the Tender Offer; accordingly, the Number of Share Certificates, etc. to be Purchased is the number of shares (23,091,760 shares) obtained by deducting, from the Fully Diluted Shares Outstanding (32,733,480 shares), the number of shares in the Target Company Stock indirectly owned by the Tender Offeror as of today (9,600,000 shares) and the number of shares in the Target Company Stock (41,720 shares) underlying the Stock Acquisition Rights (2,144 rights), consisting of Mr. Shimomura's Stock Acquisition Rights Not to be Tendered and the Stock Acquisition Rights held by Mr. Kokaji, with respect to which the Tender Offeror has confirmed Mr. Kokaji's intention not to tender them in the Tender Offer and to waive them if the Tender Offer is completed.

(Note 3) Shares less than one unit are also subject to the Tender Offer. If a right to demand purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period in accordance with procedures under laws and regulations.

(Note 4) The Tender Offeror does not intend to acquire any of the treasury shares owned by the Target Company through the Tender Offer.

(Note 5) The shares in the Target Company Stock to be delivered upon the exercise of the Stock Acquisition Rights on or prior to the last day of the Tender Offer Period are also subject to the Tender Offer.

End