

24 March 2026

Company	Nippon Sheet Glass Co., Ltd.
Code	5202
Address of Headquarters	5-27, Mita 3-Chome, Minato-Ku, Tokyo, Japan
Representative Executive Officer For inquiries	Munehiro Hosonuma Hiroyuki Genkai Director, Investor Relations
Telephone	+81-3-5443-9522

Issuance of New Shares through Third-Party Allotment, Partial Amendments to the Articles of Incorporation, Share Consolidation and Abolition of Share Unit System, Capital Restructuring through Debt-Equity Swap, and Change in Parent Company and Largest Shareholder

Nippon Sheet Glass (the "Company" or "NSG") announces that a resolution was passed by the Board of Directors today to issue new common shares (the "New Shares") through a third-party allotment of 165 billion yen (the "Third-Party Allotment"), corresponding to the total amount paid by Lumina Japan Acquisition Co., Ltd. (the "Allottee"), a special purpose company owned by funds managed by affiliates of Apollo Global Management, Inc. ("Apollo Funds") and its subsidiaries (collectively "Apollo"). In addition to the above, at the Board of Directors meeting held today, the Company passed a resolution to submit a proposal regarding the Third-Party Allotment and a proposal regarding a partial amendment to the Articles of Incorporation in order to increase the total number of authorized shares of the Company necessary for the implementation of the Third-Party Allotment (the "Proposals Related to Third-Party Allotment") to the annual general meeting of shareholders to be held on late June 2026 (the "Annual General Meeting of Shareholders").

At the Board of Directors meeting held today, the Company has also passed a resolution to submit to the Annual General Meeting of Shareholders a proposal to consolidate 122,222,222 common shares into 1 share and make a cash payment to the shareholders of the Company other than the Allottee, equivalent to 500 yen per share of the Company common shares prior to the share consolidation (the "Share Consolidation") and a proposal for a partial amendments to the Articles of Incorporation with respect to the abolition of the share unit system (together with the Proposals Related to the Third-Party Allotment, collectively referred to as the "Proposals to be Submitted to the Annual General Meeting of Shareholders") to ensure that the Allottee becomes the Company's sole shareholder.

The above resolutions from the Board of Directors were made on the premise that the Allottee intends to make the Company its wholly-owned subsidiary through the Third-Party Allotment and the subsequent Share Consolidation (as the "Wholly-Owned Transaction"), as well as funds from the Third-Party Allotment will be used to repay the existing borrowings of the Company's U.K. subsidiary and to deliver money to the minority shareholders as a result of the Share Consolidation (for details, please refer to "(2) Specific Use of Proceeds and Timing" within "3. Amount, Use and Timing of Proceeds" and "II. Issuance of new shares through the Third-Party Allotment"), and the Company's common shares are set to be delisted. Given the necessary time for the completion of expected procedures and filings under the domestic and foreign competition laws and

foreign direct investments laws and regulations and foreign subsidiaries regulations in relevant jurisdictions, based on the share subscription agreement (the "Share Subscription Agreement") concluded between the Company and the Allottee, the conditions for the execution of the Third-Party Allotment (the "Condition Precedent". For details, please refer to "④ Major Terms of the Related Agreements" within "2. Purpose and Background of the Third-Party Allotment" of "II. Issuance of new shares through the Third-Party Allotment" below) includes that all of the Proposals to be Submitted to the Annual General Meeting of Shareholders are approved and that all the regulatory procedures are completed. The Share Consolidation will become effective on the condition that the Third-Party Allotment is executed.

Furthermore, on the Effective Date of the Share Consolidation, SMBC, DBJ, Mizuho, and SMTB (the "Major Financial Institutions") plan to make a cash contribution of 140 billion yen in the Company through a limited partnership managed by Apollo Funds and the Allottee. The Company plans to repay the corresponding borrowing amount from the Major Financial Institutions by using the funds received from the Allottee on the same day (the "Quasi-DES") (please refer to scheme diagram in "I. Transaction process and timeline" for details). The Quasi-DES is intended to lead to future growth through recapitalization following the equity conversion of the Company's debt. It is confirmed that the Definitive Agreement has been executed today with Apollo Funds and the Major Financial Institutions.

In addition, the Company also announces that its parent company and largest shareholder are expected to change following the Third-Party Allotment.

Notice

I. Transaction process and timeline

The series of transactions including the Third-Party Allotment, the Wholly-Owned Transaction through the Share Consolidation and the Quasi-DES (the "Transaction") will be conducted in accordance with the following procedures.

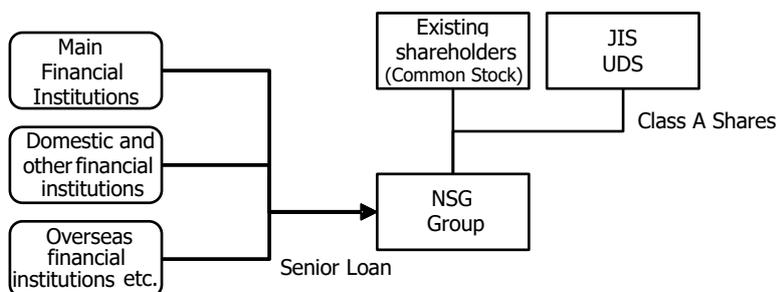
- (a) The Class A Shareholders (Japan Industrial Solutions II Investment Limited Partnership (the "JIS Fund") and UDS Corporate Mezzanine No. 3 Investment Limited Partnership (the "UDS No. 3 Fund") and UDS Corporate Mezzanine No. 4 Investment Limited Partnership (the "UDS No. 4 Fund," and together with the UDS No. 3 Fund, collectively referred to as the "UDS Funds", and the JIS Fund and the UDS Funds collectively referred to as the "Class A Shareholders")) exercise their respective rights to request the acquisition of the Company's common shares (② below)
- (b) The Proposals to be Submitted to the Annual General Meeting of Shareholders shall be submitted to the Annual General Meeting of Shareholders
- (c) Subject to the satisfaction of the Condition Precedent, the New Shares pertaining to the Third-Party Allotment will be issued, as a result of which the Allottee will become the parent company and the largest shareholder of the Company, holding 3,666,666 voting rights, which represent 72.04% of the total 5,089,493 voting rights of the Company, calculated by adding (i) 1,040,665 voting rights corresponding to the Company's issued and outstanding shares as of February 27, 2026 (104,066,552 shares), (ii) 382,527

voting rights corresponding to the Company's common shares to be held by the UDS Funds and the JIS Fund as a result of the exercise of the rights to request acquisition (38,252,710 shares), and (iii) 3,666,666 voting rights corresponding to the number of common shares to be newly issued through the Third-Party Allotment (366,666,666 shares), and then deducting 365 voting rights corresponding to the number of treasury shares as of December 31, 2025 (36,512 shares), and the cash contribution from the Third-Party Allotment will be used to repay the existing debt of the UK subsidiary ((3) below)

- (d) Refinancing existing domestic borrowings (such refinancing, the "Refinancing") ((4) below)
- (e) The Share Consolidation shall become effective on the subsequent Effective Date of the Share Consolidation subject to the cash contribution from the New Shares pertaining to the Third-Party Allotment. As a result, the Allottee will become the sole shareholder of the Company ((5) below)
- (f) The Quasi-DES will be implemented on the Effective Date of the Share Consolidation ((6) below)
- (g) After the Share Consolidation becomes effective, 500 Yen for each common shares held by the minority shareholders prior to the Share Consolidation will be paid to the minority shareholders who come to hold fractional shares (including JIS fund and UDS fund) in accordance with the treatment method of fractional shares arising as a result from of the Share Consolidation (as per the provisions of the Companies Act and with the permission of the court, the Company plans to purchase shares equivalent to the total sum of the fractional shares, and the proceeds of that sale will be delivered to minority shareholders in proportion to the fractional shares attributed to them). As a result of the Share Consolidation, the Allottee becomes the sole shareholder of the Company ((7) below)

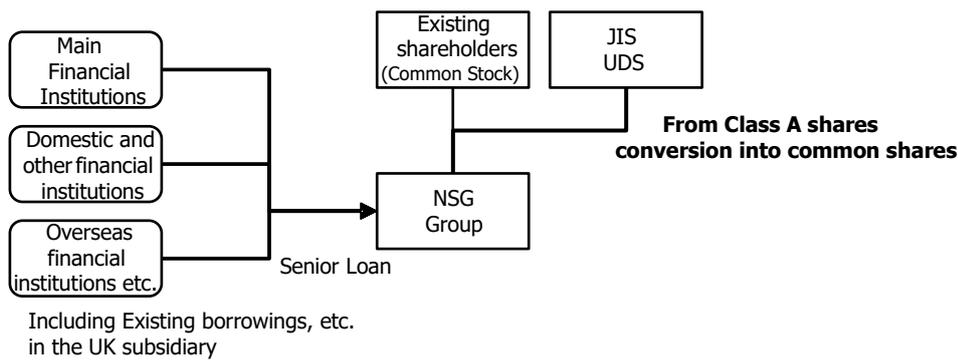
Each procedure forming the Transaction is illustrated as follows.

① Current situation

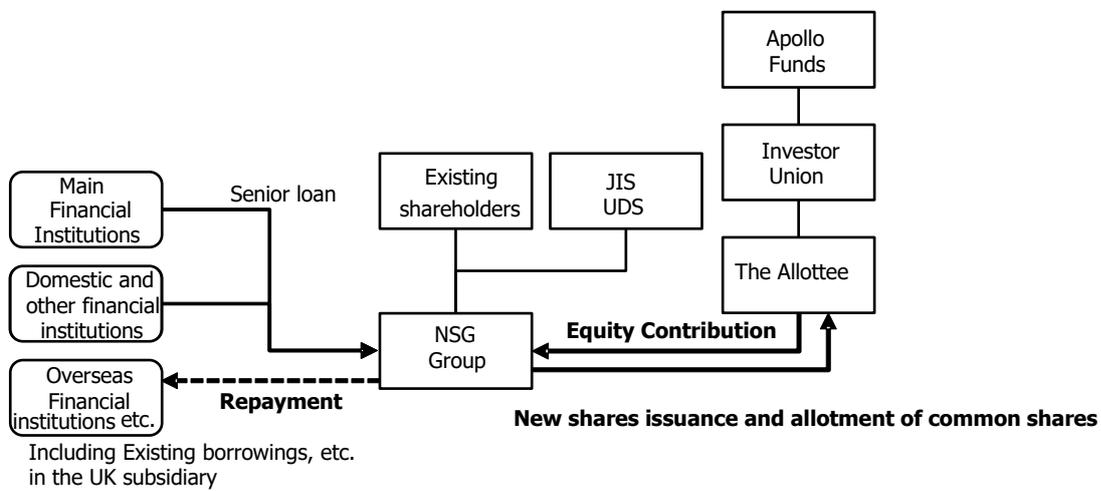


*Including Existing borrowings, etc. in the UK subsidiary

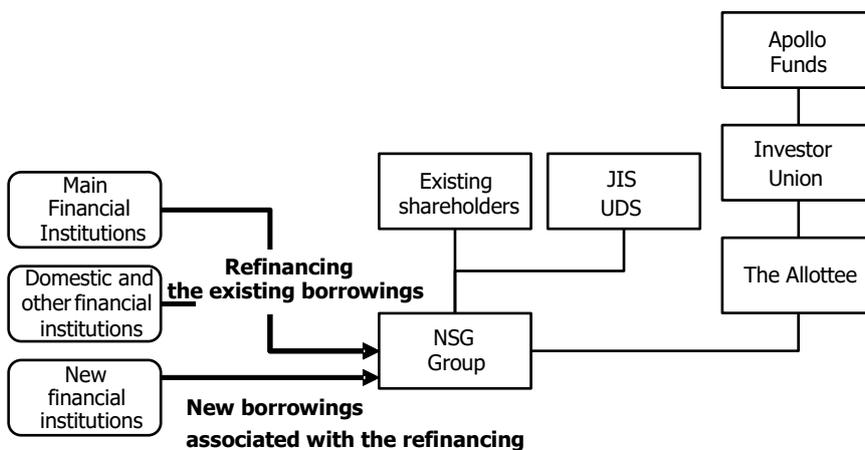
② Exercise of right to request acquisition of common shares by Class A Shareholders



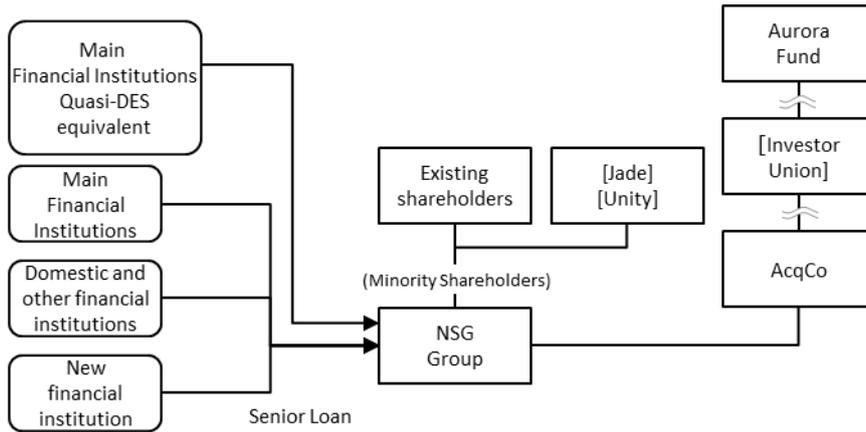
③ Implementation of the Third-Party Allotment



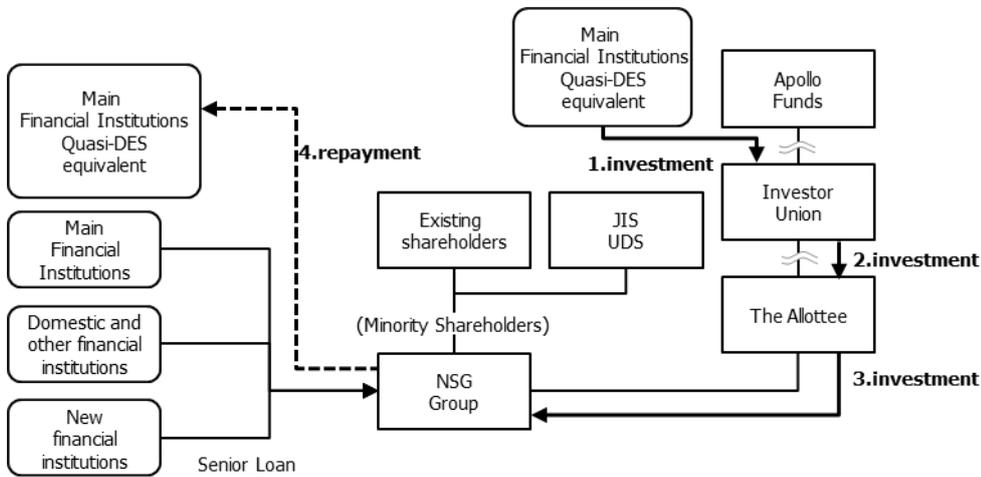
④ The refinancing of existing domestic borrowings



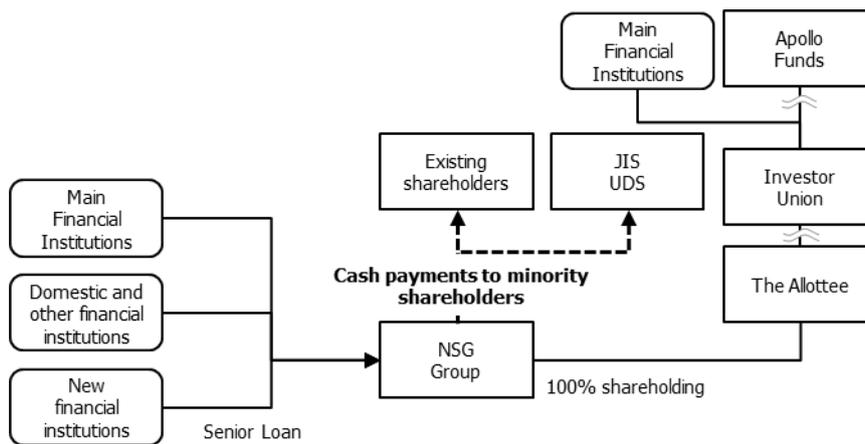
⑤ Implementation of the Share Consolidation



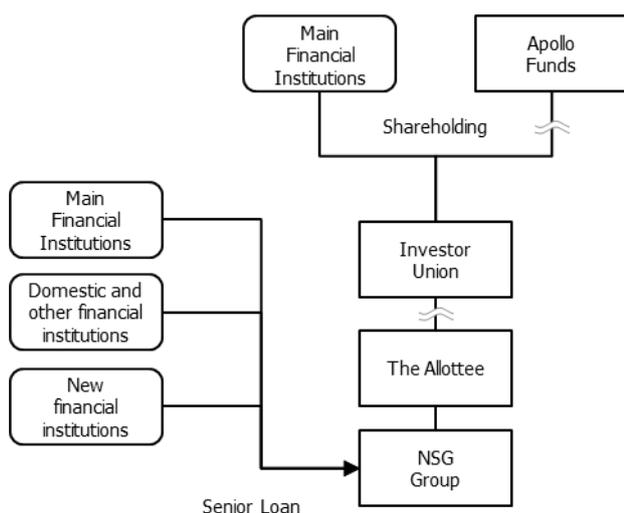
⑥ Implementation of Quasi-DES



⑦ Cash payments to minority shareholders



⑧ After Completion



The timeline for each procedure of the Transaction is as follows. The Third-Party Allotment has been resolved to be paid between June 30 2026 to March 31, 2027 in accordance with the Companies Act, and the actual schedule will vary depending on when the Condition Precedent are satisfied.

Record date for the Annual General Meeting of Shareholders	Tuesday, March 31, 2026
Date for the resolution of the Board of Directors concerning the Annual General Meeting of Shareholders	Late May, 2026
Date of the Annual General Meeting of Shareholders	Late June, 2026
Payment date for the Third-Party Allotment	October, 2026 (planned)
Date of designation of common shares as the securities to be delisted from the Tokyo Stock Exchange	October, 2026 (same day as the payment date for the Third-Party Allotment) (planned)
Last trading date of the Company's common shares on the Tokyo Stock Exchange	November, 2026 (planned)
Date of delisting of the Company's common shares on the Tokyo Stock Exchange	November, 2026 (planned)
Effective Date of the Share Consolidation	November, 2026 (planned)
Date of implementation of the Quasi-DES	November, 2026 (planned)

II. Issuance of new shares through the Third-Party Allotment

1. Outline of Offering

① Payment period	June 30, 2026 (Tuesday) to March 31, 2027 (Wednesday)
② Number of shares to be newly issued	366,666,666 common shares
③ Amount to be paid	450 yen per share
④ Total amount to be paid	164,999,999,700 yen

⑤ Method of offering or allotment (Allottee)	Third-Party Allotment (Lumina Japan Acquisition Co., Ltd.)
⑥ Other	<p>Each of the above items is subject to the satisfaction or waiver of the Condition Precedent, including; the formal notification under the Financial Instruments and Exchange Act, the merger control and foreign direct investment filings and other approvals required from the relevant authorities in each applicable jurisdiction for the implementation of the Third-Party Allotment, approval of the proposals to be submitted to the General Meeting of Shareholders and the implementation of the partial amendments to the Articles of Incorporation regarding the Third-Party Allotment.</p> <p>The 366,666,666 shares of New Shares (3,666,666 voting rights) to be issued through the Third-Party Allotment represent 257.64% (257.64% of total voting rights), calculated based on the aggregate of (i) the Company's issued and outstanding common shares as of February 27, 2026, being 104,066,552 shares (1,040,665 voting rights), and (ii) the number of common shares to be held by the UDS Funds and the JIS Fund as a result of the exercise of the rights to request acquisition, being 38,252,710 shares (382,527 voting rights), totaling 142,319,262 shares (1,423,192 voting rights). As a result, the dilution ratio associated with the Third-Party Allotment will be 25% or more and will result in a change in controlling shareholders. Therefore, the Third-Party Allotment is classified as large-scale as prescribed in "Instructions on Preparation of Form 2 of the Cabinet Office Order on Disclosure of Corporate Affairs, etc. (23 -6)". Furthermore, as described in "2. Purpose and Background of the Third-Party Allotment" below, "(2) Reasons for Choosing the Third-Party Allotment" the Allottee will fall under the category of the Specified Allottee through the Third-Party Allotment. Accordingly, the resolution from the Annual General Meeting of Shareholders also constitutes the shareholder approval required for the allotment of shares to a specified allottee pursuant to Article 206-2, Paragraph 4 of the Companies Act.</p>

(Note) Regarding the Third-Party Allotment, the payment period in accordance with the Companies Act is set from June 30, 2026 (Tuesday) to March 31, 2027 (Wednesday). As stated in ⑥ above, the reason for setting this period as the payment period is that the issuance of the New Shares is subject to the satisfaction of the Condition Precedent, and the expected timing for the completion of the Condition Precedent remains uncertain at this time.

2. Purpose and Background of the Third-Party Allotment

(1) Background to the Third-Party Allotment

① Financial Conditions of the Company and Necessity for Significant Capital Funding

The Company is one of the leading glass manufacturers engaged in the architectural and automotive glass business as well as the high-performance glass business (Creative Technology). The Company plays an important role in supporting industries and economies expected to grow in the medium- to long-term, of not only Japan, but also major countries around the world, covering a wide range of sectors, such as automotive, architecture, and renewable energy. In 2006, the Company acquired Pilkington plc ("Pilkington"), a major British glass manufacturer, in response to the globalization of the automotive industry, the growing demand for flat glass for architectural use mainly in emerging countries, and the growing demand for high-performance glass in developed countries including Japan, with the aim of becoming a global leader in the flat glass field. Through the acquisition of Pilkington, the Company has established a certain presence in the global market by utilizing the development and manufacturing plants of both companies as efficiently as possible, pursuing economies of scale to ensure international competitiveness, expanding sales channels with leading local manufacturers in the Americas and Europe, and building long-term customer relationships.

However, the Company has continued to incur substantial interest expenses resulting from a highly leveraged capital structure maintained over a long period of time since the fine imposed by the European Commission related to operations conducted by Pilkington prior to 2005, and the subsequent deterioration in performance caused by the Lehman Shock. Furthermore, excess supply in the European market has created downward pricing pressure during economic downturns, and the Company's business structure remains highly sensitive to market fluctuations, all of which have constituted significant obstacles to business growth. In recent years, the business environment has continued to undergo rapid changes, including lockdowns in response to the COVID-19 pandemic, challenges in the European economy, U.S. tariff measures, and rising interest rates, resulting in continued losses in automotive glass business in Europe and the United States, and in the architectural glass business in Europe. In response to this situation, in 2024, the Company launched its "2030 Vision: Shift the Phase" with the aim of recovering its business performance and accelerating measures to "To shift our company's phase and become a key provider in advancing a sustainable society." However, as mentioned above, the interest burden and limited liquidity due to high level of borrowing over many years in a period of European economic downturn, as well as covenants imposing the restriction on dividend distributions by the UK subsidiaries which may have limited the use of funds within the Group, may adversely affect cash-flow stability and the Company's ability to undertake adequate growth and maintenance investments. Therefore, the implementation of measures to maintain medium- to long-term competitiveness is a pressing priority. In particular, in recent years, the business environment has further deteriorated as a result of the challenges to the European economy, an important market, increased costs driven by rising raw material prices, and supply chain impacts caused by tariffs measures, etc. As a result, we have posted a net loss of approximately 50billion yen over the past 5 years, and a high proportion of the company's enterprise value is accounted for by net debt, which has

recently exceeded 500 billion yen in total. Restructuring to improve profitability and financial position has been a longstanding objective for the Company. As part of our own efforts, we have implemented various measures such as raising capital through the issuance of Class A shares, reviewing our organizational structure, and closing float furnace in Europe. However, based on current factors, the restructuring to improve profitability and financial position will take a considerable amount of time and there is no guarantee for restating dividends.

Under these circumstances, the Company recorded a large net loss in the fiscal year ending March 2025 and the business recovery in the fiscal year ending March 2026 has been slower than expected. It has become difficult, under the Company's current capital structure, to refinance or repay more than 100 billion yen of borrowings maturing by the end of March 2026 without the solution proposed. Furthermore, even if the Company were able, through its own efforts, to continue refinancing the borrowings maturing by the end of March 2026, the high level of outstanding debt would remain unchanged, and we believe it would take a considerable amount of time to rebuild the Company's financial foundation. In addition, with respect to the borrowings maturing by the end of March 2026, the Company has reached the agreement of refinancing with the Main Financial Institutions as well as other domestic financial institutions, on the assumption that the Transaction will be implemented.

Therefore, in order to improve the above situation, the Company believed that it was necessary to fundamentally resolve the existing financial structural issues, including the infusion of external capital.

② Background of Sponsor Selection

Under the circumstances described above, the Company has, on an intermittent basis, been exploring measures and potential partners capable of fundamentally resolving the aforementioned issues relating to its financial structure. As part of the process, we met with Apollo.

Apollo is a high-growth global alternative asset manager. Apollo provides innovative capital solutions to businesses by investing across a broad range of capital structures through a fully integrated platform, offering the full spectrum of risk and return, from Investment Grade Credit to private equity. As of the end of 31 December 2025, the Apollo Group's assets under management amounted to approximately 145 trillion yen (approximately 938 billion dollars).

For more than 35 years, Apollo's private equity business has been providing innovative capital solutions to support businesses growth through its disciplined, innovative and highly informed investment approach. In particular, Apollo has in-depth industry knowledge and a structured value-creation approach across the automotive and construction industry, and other similar sectors, given its extensive investment track record in the industrial sector, such as the materials and metal sector. Apollo pursues an investment philosophy that takes liquidity and business stability into consideration, including its track record of conservative capital management for the portfolio companies, and their support capabilities for companies during periods of industry cyclicity or financial stress. In addition, Apollo's private equity business has a strong track record of previous investments in leading Japanese companies, including MAFTEC Co., Ltd., ALTEMIRA Co., Ltd., and Panasonic Automotive Systems Co., Ltd.

Given its investment track record and philosophy, Apollo continued to consider this transaction based on its understanding of the situation. As a result, in September 2025, the Company received an initial proposal (the "Initial Proposal") from Apollo Funds to take the Company private and to implement fundamental improvement measures. The initial proposal included a large capital investment in the Company by Apollo Funds, a capital restructuring under the Quasi-DES, and a reduction in the interest burden by repaying the UK subsidiary loans, as well as the effective use of funds within the Company. In response to this, the Company has started an initial review, including the appointment of Mori Hamada & Matsumoto Foreign Law Joint Venture ("Mori Hamada & Matsumoto") as its legal advisor in November 2025, which is independent from Apollo and the Company; SMBC Nikko Securities Inc. ("SMBC Nikko") as its financial advisor and third-party appraiser; and Deloitte Tohmatsu LLC ("Deloitte") as its financial and tax advisor. The Company established a framework to evaluate, negotiate and determine the merit of the Transaction from the perspective of enhancing corporate value and safeguarding the interests of the minority shareholders, facilitating the establishment of an independent perspective from Apollo and the Company.

As a result of the review of the initial proposal, the Company has determined that it is considered necessary to stabilize its operations promptly through significant remedial actions and secure a path to new growth in a business environment that is increasingly challenging and marked by limited visibility into future developments. Therefore, given Apollo Funds' proposed large-scale capital investment in the Company and other additional measures including the Quasi-DES between the Major Financial Institutions and Apollo Funds, as well as Apollo's organized operational value creation plan, the Major Financial Institutions started full-scale consideration of Apollo Funds' initial proposal.

In light of the complexity of the Transaction and the possibility that a conflict of interest may arise from the Company's consideration of the Transaction, the Company, at its Board of Directors meeting held on November 28, 2025, established a special committee (the "Special Committee". Please refer to "9. Procedural Matters under the Corporate Code of Conduct" for the composition of the committee members and other specific matters) to consider the Transaction proposal, with the advice of Mori Hamada & Matsumoto. The Special Committee allows us to establish a review framework that is independent, to ensure careful decision making, to eliminate arbitrariness in the Company's review process, and to ensure the fairness of the overall assessment of the Transaction and the appropriateness of its terms. Based on the authority granted to the Special Committee (for details about specific permissions, see "9. Procedural Matters under the Corporate Code of Conduct"), on November 28, 2025, the Special Committee approved the appointment of Mori Hamada & Matsumoto as the legal advisor of the Company, SMBC Nikko as the financial advisor and third-party appraiser of the Company, and Deloitte as the financial and tax advisor of the Company, after confirming that there were no problems in terms of expertise and independence from Apollo and the Company. Furthermore, in order to ensure fairness in the decision-making process for the Transaction, the Special Committee appointed Akasaka International Accounting Co., Ltd., ("Akasaka International Accounting") as the third-party evaluator of the Special Committee after confirming that there is no problem with independence and expertise at the second Special Committee meeting.

Subsequently, on December 26, 2025, Apollo, taking into account also the results of the due diligence

conducted with the Company, submitted a Letter of Intent (the "LOI") for the Transaction.

At the same time, the Company, through SMBC Nikko, reviewed and discussed alternative potential sponsors to assess the feasibility of obtaining support from them. As part of the various proposals received from the potential sponsors, whilst the potential of the Company business was evaluated, it was pointed out that the high level of debt is constraining management's ability to operate with discretion, and converting debt into equity and large-scale capital investments are necessary to realize sustainable growth. In addition, each of the potential sponsors pointed out that, taking into account the Company's current and future cash flows, current funding conditions, and debt obligations, the Company's recent share price level may not fully reflect the refinancing risk by financial institutions. As a result of a diligent comparison and examination of the proposals from each of these potential sponsors, the Company has determined that Apollo's LOI is the best proposal given the equity capital available to be deployed by the sponsor, the feasibility of the proposal and timing of the Transaction, the sponsor's view on the management and the business after acquiring the Company, the expected state of the Company's financial soundness at the time of sponsor future exit, and Major Financial Institutions' expected likelihood of recovering their claims as part of the Quasi-DES. In addition, the Major Financial Institutions viewed very positively the feasibility of the Transaction and the medium- to long-term growth potential based on the fundamental structural changes as evidenced in the proposal, and the Company decided to continue discussions with Apollo toward concluding a formal agreement for the Transaction in late January 2026, after confirming the intention of the Quasi-DES implementation and refinancing with the Major Financial Institutions.

Based on the Special Committee's negotiation policy, opinions, instructions and requests, the Company held discussions and negotiations with Apollo regarding whether to proceed with the Transaction and the terms of the Transaction, with the advice of Mori Hamada & Matsumoto, SMBC Nikko and Deloitte.

On January 13, 2026, the Company received from Apollo a proposal setting the payment amount for the Third-Party Allotment (the "Payment Amount") at 450 yen per share, and the expected cash amount to the existing shareholders of the Company upon the cash settlement of fractional shares following the Share Consolidation also at 450 yen. (as defined in "② Commissioning of a valuation report by an independent third-party valuation firm" within "5. Assessment of the Issuance Terms' Reasonableness").

Following this proposal, during the course of continued discussions with Apollo, the Company, on February 24, 2026, requested an increase in the expected cash amount to be delivered to the existing shareholders of the Company upon the cash settlement of fractional shares following the Share Consolidation.

Subsequently, on February 27, 2026, the Company received from Apollo a final proposal to set the cash amount to be delivered to the existing shareholders of the Company at 500 yen per share upon the cash settlement of fractional shares following the Share Consolidation.

After conducting careful internal discussions and review, and on the premise that the final decision would be made through a resolution of the Company's Board of Directors, on March 9, 2026, the Company responded by accepting Apollo's final proposal to set the cash amount to be delivered to the existing shareholders at 500 yen per share upon the cash settlement of fractional shares following the Share Consolidation.

The amount of 500 yen per share expected to be delivered to existing shareholders upon the cash settlement of fractional shares following the Share Consolidation is considered appropriate by the Company, as described in “(1) Basis for the calculation of the amount to be paid and other specific details within “5. Assessment of the Issuance Terms’ Reasonableness ” and “IV. Share Consolidation 3. Basis for the amount of money to be delivered to the shareholders upon the Cash Settlement of Fractional Shares following the Share Consolidation”.

The final amount represents a meaningful increase achieved through multiple rounds of negotiations with Apollo, and we believe that it constitutes a reasonable consideration to be paid to existing shareholders in connection with the privatization of the Company and represents the best terms the Company can offer to its minority shareholders.

③ Reasons for determining that the Third-Party Allotment and privatization are in the best interests of the Company and the Company shareholders

In Apollo’s LOI received by the Company, if the Transaction, which includes a major capital investment by Apollo Funds, the Quasi-DES by the Major Financial Institutions, and the repayment of existing UK subsidiary borrowings, is realized, the Company intends to substantially improve its financial position and liquidity. Based on these improvements, the Company would be able to implement fundamental improvement, including the rationalization of production plants involving one-off expenses, strengthen its competitiveness by improving profitability to a level comparable to its peers, and subsequently execute additional profitability-enhancement initiatives expected to deliver lasting effects. In addition, after strengthening cash flows and a resilient capital structure, Apollo will provide strategic support for the Company to secure long-term growth as a global leader in the industry in growth areas such as compliance with environmental regulations, the shift toward higher valued products, and solar-energy-related businesses. Furthermore, Apollo believes that the Company’s privatization is critical to enable timely management decision-making and achieve its objectives, without being constrained by a strategy that emphasizes securing short-term profits. Considering the near-term challenges to profitability and the lack of guarantee for success, the Company believes it is better for its existing shareholders not to take on this additional risk. In order to aim for medium- to long-term growth, the Company believes that the best option for realizing increased corporate value is to build a management structure that enables flexible decision-making and can prioritize on long-term growth rather than short-term stock performance, and to promote business initiatives with the cooperation of Apollo’s management team and the Company’s employees.

In addition, as described in “① Financial Conditions of the Company and Necessity for Significant Capital Funding” above, it has become difficult, under the Company’s current capital structure, to refinance or repay more than 100 billion yen of borrowings maturing by the end of March 2026 without relying on the Transaction. Furthermore, even if the Company were able, through its own efforts, to continue refinancing the borrowings maturing by the end of March 2026, the high level of outstanding debt would remain unchanged, and we believe it would take a considerable amount of time to rebuild the Company’s financial foundation. At present, refinancing agreements have been reached with domestic financial institutions

including the Major Financial Institution as part of the Transaction. However, if the Transaction is not conducted, it will be impossible to secure enough funds to repay the outstanding borrowings, which will continue to be at a high level, thereby making it difficult to address the Company's financial structural issues. As the business environment continues to be volatile, the Company may find it difficult to continue its business in the future. Accordingly, the Company believes that executing the Transaction at this point in time is in the best interest of the Company's shareholders.

Therefore, the Company has determined that conducting the Transaction including going private at this timing after paying reasonable consideration to the Company's shareholders will also contribute to the interests of shareholders.

If the New Shares are allotted to the Allottee through the Third-Party Allotment, the Allottee will hold 3,666,666 voting rights, which represent 72.04% of the total 5,089,493 voting rights of the Company, calculated by adding (i) 1,040,665 voting rights corresponding to the Company's issued and outstanding shares as of February 27, 2026 (104,066,552 shares), (ii) 382,527 voting rights corresponding to the Company's common shares to be held by the UDS Funds and the JIS Fund as a result of the exercise of the rights to request acquisition (38,252,710 shares), and (iii) 3,666,666 voting rights corresponding to the number of common shares to be newly issued through the Third-Party Allotment (366,666,666 shares), and then deducting 365 voting rights corresponding to the number of treasury shares as of December 31, 2025 (36,512 shares), and the Allottee will qualify as Specified Allottee as defined in Article 206-2, Paragraph 1 of the Companies Act. In connection with this matter, at the meeting of the Board of Directors held today, the Company's Audit Committee expressed its opinion that, in light of the Company's current financial condition and future outlook, the capital raising through the Third-Party Allotment to the proposed allottee and the execution of the Transaction constitute an important transaction for enhancing the Company's corporate value, that the issue price of the Third-Party Allotment and the expected cash consideration to be delivered in connection with the share consolidation are reasonable in light of the valuation results prepared by SMBC Nikko Securities Inc. and Akasaka International Accounting Firm, and that, accordingly, the Transaction is necessary and reasonable for the Company, and that the Third-Party Allotment to the proposed allottee, who qualifies as a specified allottee under Article 206-2, paragraph 1 of the Companies Act, is reasonable.

The Audit Committee further noted that there were no opinions expressed by outside directors that differed from the judgment of the Board of Directors.

④ Major Terms of the Related Agreements

(i) Share Subscription Agreement with the Allottee

(Principal Condition Precedent to the Third-Party Allotment)

Principal condition precedent to the implementation of, or payment of the issue price for, the Third-Party Allotment are as follows. Among these, items (a), (b), (c), (f), (g), (h) and (i) below are stipulated as condition precedent to the implementation of the Third-Party Allotment by the Company, and items (a) through (k) below are stipulated as condition precedent to the payment of the issue price by the Allottee:

- a. The Proposals to be Submitted to the Annual General Meeting of Shareholders have been duly approved.
- b. The Report of the Special Committee has been duly obtained, and the contents thereof remain unchanged as of the payment date of the Third-Party Allotment (the "Payment Date").
- c. The agreements entered into by and among the Major Financial Institutions, the Allottee and other relevant parties as of March 24, 2026 (such agreements, the "Finance Agreements"), have been validly executed and remains in full force and effect, and no specific event has occurred that would materially impede the implementation of the Quasi-DES under the Finance Agreement.
- d. No event of default has occurred with respect to borrowings of the Company Group, and commitments in relation to the refinancing have been made in writing and remain in effect between the Company Group and each financial institution.
- e. The loan agreements relating to the Refinancing have been validly executed and remain in full force and effect between the Company and the relevant financial institutions, and it is reasonably certain that the loans thereunder will be credited to the Company's account on the Payment Date.
- f. All the Clearances have been obtained.
- g. The Securities Registration Statement relating to the Third-Party Allotment has become effective and has not been suspended as of the Payment Date.
- h. No petition for injunction against the issuance regarding the Third-Party Allotment or any other litigation or legal proceeding that would materially impede the Third-Party Allotment is pending, and no judgment or decision by any judicial or administrative authority has been rendered that would materially impede the Third-Party Allotment.
- i. There is no breach of obligations under the Share Subscription Agreement or breach of representations and warranties thereunder that would have a material adverse effect on the Transaction.
- j. Since the signing date of the Share Subscription Agreement, no material adverse effect has occurred or been identified, nor is there any specific risk thereof.
- k. The cumulative amount of capital expenditures and lease expenditures does not exceed, and is not reasonably expected to exceed, the agreed thresholds between the Company and the Allottee.

(Major Covenants of the Company)

- a. The Company shall not, directly or indirectly, from the signing date of the Share Subscription Agreement until the completion of the Transaction, enter into any agreement, provide any information, or make any proposal or offer relating to a competing transaction with any person other than the Allottee.
- b. The Company shall use its commercially reasonable best efforts to obtain, as promptly as practicable, all permits, approvals and clearances required to be obtained by the Company

among the Clearances.

- c. The Company shall use its commercially reasonable best efforts to obtain, or cause the Company Group to obtain, commitments in relation to the Refinancing from each financial institution that are lenders to the Company Group.
- d. Subject to the requisite shareholder resolutions for the Third-Party Allotment being obtained at the Annual General Meeting of Shareholders, the Company shall, no later than three 3 business days prior to the Payment Date, enter into the loan agreements relating to the Refinancing with each financial institution, subject to the prior written consent of the Allottee.
- e. Subject to the completion of the Third-Party Allotment and the Refinancing, on the Payment Date, the Company shall repay in full all of its domestic borrowings, excluding the portion subject to the Quasi-DES.
- f. Subject to the implementation of the Third-Party Allotment and the Refinancing, the Company shall cause its UK subsidiary to repay borrowings and bond-related obligations.
- g. From the signing date of the Share Subscription Agreement until the Closing Date, the Company shall cause the Company Group to conduct its business in the ordinary course consistent with past practice and shall not, and shall cause the Company Group not to, take any certain material actions.
- h. The Company shall comply with the provisions of the memorandum of understanding executed with JIS fund and UDS fund as described in (b) and (c) below, and the loan agreement relating to the Refinancing.

(Covenants of the Allottee)

- a. The Allottee shall use its commercially reasonable best efforts to obtain, as promptly as practicable, all permits, approvals and clearances required to be obtained by the Allottee among the Clearances.

(ii) The Memorandum of Understanding with UDS Funds

The Company and UDS funds have entered into a memorandum of understanding dated March 24, 2026, which includes the following terms:

- a. UDS funds shall, subject to the satisfaction of all of the following conditions, exercise its right to acquire all of its Class A Shares in exchange for the Company's common shares (the "Exercise of the Acquisition Right") so that it will be recorded as a holder of common shares in the shareholder register of the Company as of the record date for the Annual General Meeting of Shareholders (March 31, 2026):
 - The Finance Agreements have been validly executed and remain in full force and effect
 - No specific event or circumstance has occurred that would materially impede the satisfaction of all condition precedent, and no specific event or circumstance has

occurred that would materially impede the consummation of the series of transactions contemplated under the Finance Agreements, including the Transaction

- An agreement between UDS funds and the Company regarding material facts with respect to the Company, in form and substance reasonably satisfactory to UDS funds, has been validly executed and remains in full force and effect
- b. UDS funds shall, subject to the satisfaction of all of the following conditions, exercise its voting rights in favor of the Proposals to be Submitted to the Annual General Meeting of Shareholders with respect to the common shares of the Company acquired through the Exercise of the Acquisition Right:
- The Finance Agreements have been validly executed and remains in full force and effect
 - No specific event or circumstance has occurred that would materially impede the satisfaction of all the Condition recedent, and no specific event or circumstance has occurred that would materially impede the consummation of the series of transactions contemplated under the Finance Agreements, including the Transaction
 - An agreement between UDS funds and the Company regarding material facts of the Company, in form and substance reasonably satisfactory to UDS funds, has been validly executed and remains in full force and effect
 - No specific event or circumstance has occurred that would materially adversely affect the business operations of UDS funds or its partners in connection with such exercise of voting rights, and such exercise of voting rights would not result in any violation of applicable laws or contractual obligations by the general partner of UDS funds, nor is there any reasonable likelihood thereof

(iii) The Memorandum of Understanding with JIS Fund

The Company and JIS Fund have entered into a memorandum of understanding dated March 24, 2026, which includes the following terms:

- a. The Company shall use its best efforts to implement the Transaction
- b. JIS fund shall, subject to the conditions that (i) no decision to cancel the Transaction has been made by the Company or the Allottee and (ii) no event or circumstance has occurred, and there is no reasonable likelihood of any event or circumstance occurring, that would impede the implementation of the Transaction, exercise its right to acquire its Class A Shares in exchange for the Company's common shares so that it will be recorded as a holder of common shares in the shareholder register of the Company as of the record date for the Annual General Meeting of Shareholders (March 31, 2026)
- c. JIS fund shall exercise its voting rights in favor of the Proposals to be Submitted to the Annual General Meeting of Shareholders with respect to the common shares of the Company acquired through the exercise of its right to acquire its Class A Shares

(2) Reasons for choosing the Third-Party Allotment

As described in "(1) Background to the Third-Party Allotment" above, a substantial capital injection is essential for fundamental improvement of the Company's financial position, and if a substantial capital injection is not executed promptly, the Company's structural financial issues may become more apparent in the future. Therefore, the Company regards as the most critical consideration how the Company can reliably raise the necessary funds in a timely manner.

With respect to issuing common shares through a public offering, the Company concluded that it would be difficult to implement such an offer underwritten by a securities firm, considering the current cash position and the time constraints involved. Furthermore, with respect to a rights offering or shareholder allotment, the Company determined that these methods are not appropriate, as the Company must raise the required funds with certainty. In a rights offering or shareholder allotment, as the final amount of funds to be raised is uncertain, because not all of the share acquisition rights will be exercised or not all of the rights will be accepted, depending on decisions by allotted shareholders influenced by share price trends and other factors. As the Company needs to raise the required amount with certainty, it concluded that these methods are not optimal at this time. On the other hand, a third-party allotment of shares could be an appropriate option for the Company if it has the highest certainty of raising the required amount and if an appropriate sponsor can be selected. As described in "(1) Background to the Third-Party Allotment" above, after Apollo indicated the possibility of making an investment, the Company and Apollo were discussing the optimal size and form of equity investment, while also exploring potential sponsors in search of financing on terms more favorable to the Company. As a result of continuing discussions with other potential sponsors on the possibility of providing funds through equity investment, etc., discussions on the Third-Party Allotment began with Apollo, which presented the terms that are considered to be the most preferable for the Company. Furthermore, the Company and Apollo continued discussions and negotiations on the optimal size and form of investment, and as a result, it was determined that the best option available to the Company at this time is to receive investment of a total of 165 billion yen through the issuance of the New Shares to the Allottee through a Third-Party Allotment.

3. Amount, Use and Timing of Proceeds

(1) Amount of funds to be raised

① Total amount to be paid	164,999,999,700 yen
② Estimated issuance costs	2,500,000,000 yen
③ Estimated net proceeds	162,499,999,700 yen

(Note 1) The estimated amount of issuance expenses does not include consumption taxes, etc.

(Note 2) The estimated amount of issuance expenses is mainly the sum of financial advisor expenses, attorney expenses, expenses related to the holding of the General Meeting of Shareholders, expenses for background checks regarding anti-social forces, registration-related expenses and share valuation expenses related to the Third-Party Allotment.

(2) Specific Use of Proceeds and Timing

The specific use of the funds to be procured through the Third-Party Allotment is planned as follows.

Specific use	Amount	Expected timing of expenditure
① Repayment of existing borrowings of the UK subsidiaries	91.4 billion yen	June 2026 – March 2027
② Payment to minority shareholders through the Share Consolidation	71.1 billion yen	January 2027 – June 2027

① Repayment of existing borrowings of the UK subsidiaries

The high level of outstanding borrowings and covenant restrictions at the Company's UK subsidiaries have limited the Group's ability to utilize funds and make growth investments. In addition, in the face of an increasingly challenging business environment, including challenges in the European economy, rising raw material prices, and the impact of tariffs, it has become urgent to maintain medium- to long-term competitiveness and secure the funding to invest in future growth. Due to the volatility of the Company's profits in Europe, restrictions may be imposed on the use of cash within the Group, which will become a destabilizing factor in the Company's management operations. As a fundamental cause of the Company's constraints, approximately 189 billion yen borrowed by a subsidiary in the United Kingdom will be repaid in order to improve the stability of the financial structure. The amount of the existing borrowings of the UK subsidiary described above is as of the end of December 2025 and may fluctuate due to factors such as foreign exchange movements.

② Payment to minority shareholders through Share Consolidation

To the minority shareholders of the Company other than the Allottee in the Third-Party Allotment, the Company plans to pay cash equivalent to 500 yen per share of common shares of the Company held by the minority shareholders of the Company prior to the Share Consolidation. With respect to the method of treatment method of fractional shares of less than one share arising as a result of the Share Consolidation, in accordance with the provisions of the Companies Act and with the permission of the court, the Company plans to purchase a number of common shares equivalent to the total number of such fractions and deliver the purchase price to the minority shareholders.

4. Rationale for the Use of Proceeds

As stated in "(2) Specific Use of Proceeds and Timing" in "3. Amount, Use and Timing of Proceeds" above, the Company has determined that the use of funds to be procured through the Third-Party Allotment is reasonable because, by allocating the funds to the repayment of existing borrowings of the UK subsidiary and the cash payments to minority shareholders through the Share Consolidation, the Company will substantially improve its financial position, stabilize its operations, and maintain and enhance corporate value. By using the procured funds for the above designated purposes, the Company expects to achieve privatization and a restructuring of its capital, and improve its profitability and cash flow by reducing its interest burden, etc.

Therefore, it is expected that the Company will be able to secure additional working capital (including capital expenditures required for the ongoing business such as ordinary capital investments), implement structural improvements to improve profitability at an early stage, and make capital investments in growth businesses.

5. Assessment of the Issuance Terms' Reasonableness

(1) Basis for the calculation of the amount to be paid and other specific details

- ① Amount to be paid for the Third-Party Allotment agreed upon with the Allottee and the details of the decision

Through due diligence and related processes, Apollo assessed the appropriate subscription price for the Third-Party Allotment under the circumstances described in "2. Purpose and Background of the Third-Party Allotment", specifically "① Financial Conditions of the Company and Necessity for Significant Capital Funding" within "(1) Background to the Third-Party Allotment", as well as the cash consideration payable to minority shareholders pursuant to the share consolidation. As a comprehensive judgment that fully considers fairness among stakeholders is necessary in arranging the terms and conditions of the Transaction, discussions and negotiations were conducted among Apollo and the Major Financial Institution, the Company and each financial institution, and the Company and Apollo, as described above.

Under the current severe business environment, the Company, with the involvement of the Special Committee, held multiple rounds of negotiations with Apollo to aim to procure the funds on the most favorable and feasible terms for the Company. As a result of making its utmost efforts, upon multiple rounds of discussions with Apollo, as described in "(1) Background to the Third-Party Allotment" within "2. Purpose and Background of the Third-Party Allotment", the Company and the Allottee have decided that the amount paid for the New Shares will be 450 yen.

Furthermore, the amount to be paid for the New Shares shall represent a premium of 11.11% from 405 yen (the figures are rounded to the second decimal place. Hereinafter, the same shall apply to the value (%) of the premium or discount to the share price), which is the closing price of the Company's common shares at the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") on March 23, 2026, which is the business day immediately preceding the date of resolution of the Board of Directors regarding the Third-Party Allotment (the "Date of the Board of Directors' Resolution"). A discount of 13.63% from 521 yen (rounded to the nearest yen. hereinafter, the calculation of the simple average closing price shall be the same), which is the simple average of the closing prices for the 1 month period immediately preceding the date of the Board of Directors' resolution. A discount of 23.47% from 588 yen, which is the simple average of the closing prices for the 3 months period immediately preceding the date of resolution by the Board of Directors. A discount of 18.03% from 549 yen, which is the simple average of the closing prices for the 6 months period immediately preceding the date by the Board of Directors' resolution. A discount of 10.00% from 500 yen, which is the simple average of the closing prices for the 12 months period immediately preceding the date of Board of Directors' resolution.

- ② Commissioning of a valuation report by an independent third-party valuation firm

Based on the results of the discussions and negotiations described above, the Company requested SMBC

Nikko, a third-party valuation institution, to calculate the value of its common shares, and has received the Valuation Report (the "Valuation Report (SMBC Nikko)") as of March 23, 2026, for the purpose of determining the amount to be paid for the New Shares and the cash amount expected to be paid to minority shareholders as a result of the Share Consolidation (the "Expected Amount for the Share Consolidation"), and for the purpose of serving as a reference for the exercise of voting rights by minority Shareholders at the Annual General Meeting of Shareholders. The compensation of SMBC Nikko for the Transaction is a success fee to be paid upon completion of the Transaction and a fixed fee to be paid regardless of the success or failure of the Transaction. The Company has appointed SMBC Nikko as the Company's financial advisor and third-party evaluator based on the above remuneration structure, taking into consideration the general practice in similar transactions and the terms and conditions of remuneration that the Company will bear in the event of consummation or non-consummation of the Transaction. SMBC Nikko, a third-party evaluator, is not a related party of the Company or Apollo and does not have any material interest in the Transaction.

SMBC Nikko considered multiple methods to calculate the equity value of the Company common shares. SMBC Nikko calculated the equity value of the Company common shares by using the market share price method since the Company is listed on the Prime Market of the Tokyo Stock Exchange and a market share price exists, by using the comparable company method since it is possible to infer the equity value by comparing similar listed companies, and by using the discounted cash flow method ("DCF Method") to reflect future business performance into the valuation. The Company received the Valuation Report (SMBC Nikko) from SMBC Nikko on March 23, 2026. The Company has not obtained an opinion (fairness opinion) from SMBC Nikko regarding the appropriateness of the valuation of the Company common shares.

The results of calculation of the price per share of the Company common shares by SMBC Nikko are as follows.

Market Share Price Method:	521 yen ~588 yen
Comparable Company Method:	-547 yen ~ 293 yen
DCF Method:	-1,016 yen ~607 yen

Under the market share price method, with the calculation base date being March 23, 2026, the range of the share value of the Company common shares is calculated to be between 521 yen to 588 yen based on the simple average closing price of 521 yen for the most recent 1 month up to the calculation base date, the simple average closing price of 588 yen for the most recent 3 months and the simple average closing price of 549 yen for the most recent 6 months.

Under the Comparable Company Method, AGC Inc. and Compagnie de Saint-Gobain S.A. were selected as publicly listed companies engaged in businesses comparable to those of the Company, and the value of the Company's common shares was evaluated by applying comparison multiples derived from financial indicators reflecting market share prices and profitability, including the ratio of enterprise value to earnings before interest, taxes, depreciation and amortization ("EBITDA"), resulting in a calculated range of per share value of the company's common shares from -547 yen to 293 yen.

Under the DCF Method, in light of a business environment in which demand is expected to decline due to a

slowdown in market growth, and taking into consideration the implementation of various measures aimed at stabilizing the business and strengthening the Company's financial position, the enterprise value and equity 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 third quarter of the fiscal year ending March 2026 onward, based on the business plan for the period from the fiscal year ending March 2026 to the fiscal year ending March 2031 provided by the Company ("Business Plan"), together with other factors such as publicly available information. As a result, the range of equity value per share of the Company's common shares was calculated to be between -1,016 yen and 607 yen. The discount rate applied was the weighted average cost of capital ("WACC"), ranging from 8.31% to 10.16%. In calculating the terminal value, both the perpetuity growth method and the multiple method were employed. Under the perpetuity growth method, the perpetual growth rate was set at between 0.00% and 1.00%, taking into comprehensive consideration external business conditions and other relevant factors, resulting in a terminal value ranging from 256,231 million yen to 389,047 million yen. Under the multiple method, the terminal value was calculated to range from 361,164 million yen to 482,400 million yen, using multiples of 5.6x to 6.9x based on industry benchmarks and other relevant considerations. The Business Plan was prepared by the Company for the purpose of considering the Transaction, based on reasonable assumptions for each item, taking into account past performance, recent earnings conditions, and the business environment surrounding the Company. Although discrepancies exist between the figures in the Business Plan and those in the medium-term management plan titled "2030 Vision: Shift the Phase," published on May 13, 2024, the Business Plan was formulated based on financial projections that the Company considers to be more objective, reasonable, and reflective of the current situation, in light of recent earnings conditions, the status and outlook of business developments, and the Company's operating performance.

The Company's future financial forecasts, which are assumed in the DCF Method, include fiscal years in which significant increases and decreases are expected. Specifically, Through the enhancement of manufacturing capacity for high value-added products and the strategic replacement of manufacturing facilities, together with the improvement and structural reform of loss-making businesses in Europe and North America, resulting in reductions in fixed costs and procurement costs, the Company expects that operating profit and free cash flow for the fiscal year ending March 2028 will increase significantly on a year-on-year basis. In the fiscal year ending March 2029, we expect a significant decrease in free cash flow compared to the previous fiscal year due to large-scale facility investments for scheduled maintenance of existing facilities. On the other hand, we expect an increase in free cash flow compared to the previous fiscal year due to the elimination of the impact of facility investments in the fiscal year ending March 2030. The synergies expected to be realized through the execution of the Transactions are not reflected because it is difficult to specifically estimate the impact on revenues at this point.

Specific numerical values of the financial forecasts of the Company, on which SMBC Nikko assumed the calculation of the DCF Method, are as follows.

(Unit: ¥100 million)

	2026	2027	2028	2029	2030	2031
--	------	------	------	------	------	------

	March 31 (Note)	March 31				
Revenue	1,975	8,468	8,988	9,174	9,366	9,561
Operating Income	124	361	481	471	464	472
EBITDA	261	871	1,009	1,015	1,040	1,066
Free Cash Flow	353	322	427	156	287	345

(Note) Figures for the fiscal year ending March 2026 are for the period from January 1, 2026, to March 31, 2026, which is the fourth quarter of the fiscal year.

③ Commissioning by the Special Committee of a valuation report and fairness opinion from an independent third-party valuation firm

As part of the Special Committee considerations on the Consultation Matters, the Special Committee requested Akasaka International Accounting, a third-party valuation organization, to express its opinion on the fairness, from a financial and minority shareholders perspective, with respect to the amount to be paid for the New Shares and the Expected Amount for the Share Consolidation, and obtained a Valuation Report (the "Valuation Report (Akasaka International Accounting)") and a Fairness Opinion (the "Fairness Opinion") as of March 23, 2026. The compensation for the Transaction is only a fixed fee paid regardless of the success or failure of the Transaction and does not include the success fee paid on the condition of completion of the Transaction. The Company has appointed Akasaka International Accounting as the third-party evaluator of the Special Committee based on the above remuneration structure, taking into consideration the general practice in similar transactions and the terms and conditions of remuneration that the Company will bear in the event of consummation or non-consummation of the Transaction. Akasaka International Accounting, a third-party accounting firm, does not fall under a related party of the Company or Apollo and does not have any material interest in relation to the Transaction.

Akasaka International Accounting, on the premise that the Company is a going concern, based on the view that it is appropriate to evaluate the Company's common shares from multiple perspectives, considered multiple methods to calculate the equity value of the Company common shares. Akasaka International Accounting calculated the equity value of the Company common shares by using the market share price method since the Company is listed on the Prime Market of the Tokyo Stock Exchange and a market share price exists, by using the comparable company method since it is possible to infer the equity value by comparing similar listed companies, and by using the discounted cash flow method to reflect future business performance in the valuation. The Special Committee obtained the Valuation Report (Akasaka International Accounting) and the Fairness Opinion from Akasaka International Accounting as of March 23, 2026.

The results of calculation of the price per share of the Company common shares by Akasaka International Accounting are as follows.

Market share price method:	405 yen ~ 588 yen
Comparable company method:	127 yen ~ 379 yen
DCF Method:	-955 yen ~ 663 yen

Under the market share price method, with the calculation base date being March 23, 2026, the range of the price per share of the Company common shares is calculated to be between 405 yen to 588 yen based on the closing price on the calculation base date of 405 yen, the simple average of the closing prices for the past 1 month of 521 yen, the simple average closing price of 588 yen for the most recent 3 months and the simple average closing price of 549 yen for the most recent 6 months.

Under the Comparable Company Method, AGC Inc. and Compagnie de Saint-Gobain SA were selected as publicly listed companies engaged in businesses comparable to those of the Company, and the value of the Company's common shares was evaluated by applying comparison multiples derived from financial indicators reflecting market share prices and profitability, including the ratio of enterprise value to EBITDA, resulting in a calculated range of per-share value of the company's common shares from 127 yen to 379 yen.

Under the DCF Method, in light of a business environment in which demand is expected to decline due to a slowdown in market growth, and taking into consideration the implementation of various measures aimed at stabilizing the business and strengthening the Company's financial position, the enterprise value and equity 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 fourth quarter of the fiscal year ending March 2026 onward, based on the Business Plan, together with other factors such as publicly available information. As a result, the range of equity value per share of the Company's common shares was calculated to be between -955 yen and 663 yen. The discount rate applied was WACC, ranging from 8.3% to 9.6%. In calculating the terminal value, both the perpetuity growth method and the multiple method were employed. Under the perpetuity growth method, the perpetual growth rate was set at between 0.00% and 1.00%, taking into comprehensive consideration external business conditions and other relevant factors, resulting in a terminal value ranging from 275,691 million yen to 391,390 million yen. Under the multiple method, the terminal value was calculated to range from 445,303 million yen to 507,160 million yen, using multiples of 6.4x to 6.8x based on industry benchmarks and other relevant considerations. The Business Plan was prepared by the Company for the purpose of considering the Transaction, based on reasonable assumptions for each item, taking into account past performance, recent earnings conditions, and the business environment surrounding the Company. Although discrepancies exist between the figures in the Business Plan and those in the medium-term management plan titled "2030 Vision: Shift the Phase," published on May 13, 2024, the Business Plan was formulated based on financial projections that the Company considers to be more objective, reasonable, and reflective of the current situation, in light of recent earnings conditions, the status and outlook of business developments, and the Company's operating performance.

The Company's future financial forecasts, which are assumed in the DCF Method, include fiscal years in which significant increases and decreases are expected. Specifically, Through the enhancement of manufacturing capacity for high value-added products and the strategic replacement of manufacturing facilities, together with the improvement and structural reform of loss-making businesses in Europe and North America, resulting in reductions in fixed costs and procurement costs, the Company expects that operating profit and free cash flow for the fiscal year ending March 2028 will increase significantly on a year-on-year basis. In the fiscal year ending

March 2029, we expect a significant decrease in free cash flow compared to the previous fiscal year due to large-scale facility investments for scheduled maintenance of existing facilities. On the other hand, we expect an increase in free cash flow compared to the previous fiscal year due to the elimination of the impact of facility investments in the fiscal year ending March 2030. The synergies expected to be realized through the execution of the Transactions are not reflected because it is difficult to specifically estimate the impact on revenues at this point.

The specific numerical values of the financial forecasts of the Company, on which Akasaka International Accounting assumed the calculation of the DCF Method, are as follows.

(Unit: ¥100 million)

	2026 March 31 (Note)	2027 March 31	2028 March 31	2029 March 31	2030 March 31	2031 March 31
Revenue	1,975	8,468	8,988	9,174	9,366	9,561
Operating Income	124	361	481	471	464	472
EBITDA	261	871	1,009	1,015	1,040	1,066
Free Cash Flow	409	353	444	190	340	405

(Note) Figures for the fiscal year ending March 2026 are for the period from January 1, 2026, to March 31, 2026, which is the fourth quarter of the fiscal year.

The Special Committee received the Fairness Opinion from Akasaka International Accounting on March 23, 2026, stating that the amount paid for the New Shares of 450 yen per share and the Expected Amount for the Share Consolidation of 500 yen per share are fair to the shareholders of the Company from a financial point of view. This Fairness Opinion expresses the opinion that, considering the results of the valuation based on the business plan prepared by the Company and other factors, the amount paid for the New Shares of 450 yen per share and the Expected Amount for the Share Consolidation of 500 yen per share are fair to the general shareholders of the Company from a financial point of view. The Fairness Opinion and the Valuation Report (Akasaka International Accounting) were issued after Akasaka International Accounting received the Company's current business situation and business plan from the Company as well as after holding a question-and-answer session with the Company on the overview, background and purpose of the issuance of new shares through the Third-Party Allotment, and a review of the business environment, economy, market and financial conditions of the Company within the scope deemed necessary by Akasaka International Accounting (Note 1).

(Note 1) In preparing this Fairness Opinion, Akasaka International Accounting assumes that the basic and publicly available materials provided by the Company and the information obtained from the Company are accurate and complete and has not conducted any independent investigation or verification of the accuracy or completeness, and assumes no obligation to do so. As a result, Akasaka International Accounting assumes no liability arising from deficiencies in such materials or non-disclosure of material facts. Akasaka International Accounting assumes that the business plans and other materials used as the basis for this Fairness Opinion have been reasonably prepared based on the best estimates and judgments

at the time of the preparation of such materials, and does not guarantee the feasibility of such preparation, and does not express any opinion on the analysis or forecast that served as the basis for such preparation, or the assumptions that served as the basis for such analysis or forecast. As Akasaka International Accounting is not a specialized legal, accounting or tax organization, it does not express any views on legal, accounting or tax issues related to the issuance of new shares through the Third-Party Allotment, nor does it have any obligation to do so.

Akasaka International Accounting has not conducted any independent valuation or appraisal with respect to the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company and its affiliates, including analysis and valuation of individual assets and liabilities, and has not received any valuation report or appraisal report with respect to them. Therefore, Akasaka International Accounting has not conducted any valuation of the solvency of the Company and its affiliates. The Fairness Opinion expresses, from a financial point of view, its opinion on the fairness of the amount to be paid for the New Shares and the Expected Amount for the Share Consolidation for the purpose requested by the Special Committee, and therefore does not express any opinion on the advantages or disadvantages of a transaction that could be an alternative option to the Issuance of New Shares through the Third-Party Allotment, the benefits provided by the Issuance of New Shares through the Third-Party Allotment, or the appropriateness of the Issuance of New Shares through the Third-Party Allotment. This Fairness Opinion does not express any opinion to holders, creditors or other parties of the securities issued by the Company, and therefore Akasaka International Accounting assumes no responsibility for shareholders or third parties who rely on this Fairness Opinion. This Fairness Opinion expresses its opinion as of the date of submission of this Fairness Opinion as to whether or not the amount to be paid for the New Shares and the Expected Amount for the Share Consolidation are fair to the shareholders of the Company from a financial point of view, based on financial, capital markets, economic conditions and other conditions as of the date of submission of this Fairness Opinion, and based on information provided to or obtained by Akasaka International Accounting by that date. Akasaka International Accounting assumes no obligation to revise, change or supplement its opinion even if these assumptions change due to future changes in circumstances. This Fairness Opinion does not infer or suggest any opinions other than those expressly stated in this Fairness Opinion or on or after the date of submission of this Fairness Opinion.

④ Opinion of the Board of Directors on the Amount to be paid Based on the Valuation Reports and Fairness Opinion

As described in (1) Background to the Third-Party Allotment” under “2. Purpose and Background of the Third-Party Allotment, the amount to be paid for the New Shares was finally agreed upon after comparing and examining the proposals from Apollo and other potential sponsors, and through sincere discussions and negotiations with Apollo. The Company has judged that the amount to be paid for the New Shares by Apollo is the best offer at this point in time, considering the situation the Company is facing and needs to raise capital of approximately 165 billion yen. Furthermore, as described in “(2) Commissioning of a valuation report by an

independent third-party valuation firm" and "(3) Commissioning by the Special Committee of a valuation report and fairness opinion from an independent third-party valuation firm" above, the Company has assessed that the amount is appropriate in light of the content of the valuation report obtained from the third-party valuation firm, the share valuation report obtained by the Special Committee from an independent third-party valuation institution and the fairness opinion as well as the Company's share price trend during the 12 months or 24 months period immediately prior to the date of the Board of Directors resolution.

(2) Basis for Determining That the Number of Shares to Be Issued and the Resulting Dilution Are Reasonable

The Number of New Shares to be issued through the Third-Party Allotment is 366,666,666 shares (3,666,666 voting rights), which represents 257.64% of the total number of shares and total voting rights, calculated based on the aggregate of (i) the Company's issued and outstanding shares as of February 27, 2026, being 104,066,552 shares (1,040,665 voting rights), and (ii) the number of common shares to be held by the UDS Funds and the JIS Fund as a result of the exercise of the rights to request acquisition, being 38,252,710 shares (382,527 voting rights), totaling 142,319,262 shares (1,423,192 voting rights). As such, the Third-Party Allotment is expected to result in a significant dilution. On the other hand, as described above, the Company believes that it is reasonable to implement the Third-Party Allotment even in light of a certain degree of dilution based on the following circumstances: (1) it is deemed necessary for the Company to raise funds, as described in "(2) Specific Use of Proceeds and Timing" in "3. Amount, Use and Timing of Proceeds", and the amount of funds to be raised has been set at a scale that the Company considers to be indispensable; (2) the Third-Party Allotment is considered to be the most appropriate financing option among the alternatives; and (3) the issue price of the New Shares represents the best terms currently available given the Company's severe financial situation and the results of discussions and negotiations with Apollo , and is deemed to be appropriate in light of the results of the calculation of the equity value of the Company common shares as stated in the Valuation Report (SMBC Nikko) and the Valuation Report (Akasaka International Accounting) and the fairness opinion obtained.

Furthermore, as described in "III. Partial Amendments to the Articles of Incorporation to Increase the Total Number of Authorized Shares" and "IV. Share Consolidation" below, the Share Consolidation together with the Proposals Related to the Third-Party Allotment will be legally executed upon obtaining the approval of the shareholders in order to submit the Proposal to the Annual General Meeting of Shareholders. Furthermore, as described in "3. Basis for the amount of money to be delivered to the shareholders upon the Cash Settlement of Fractional Shares following the Share Consolidation" of "IV. Share Consolidation" through the Share Consolidation, shareholders other than the Allottee will ultimately be paid an amount based on a premium of more than 11.11% to the amount to be paid for the New Shares under the Third-Party Allotment. The amount was finally agreed through multiple rounds of negotiations with Apollo , conducted under circumstances where, in absence of a large-scale capital injection and the ability to promptly implement fundamental structural reform measures, the Company's business performance and financial condition could deteriorate further—exposing existing shareholders to increased risks through, among other things, a decline in the share price etc. Therefore, the Company believes that these terms represent the most favorable conditions it can offer to its shareholders,

and that the Third-Party Allotment falls within a category where the likelihood of harm to shareholder and investor interests is low and does not fall under the mandatory delisting criteria.

6. Reasons for the Selection of the Allottee

(1) Overview of the Allottee

① Name	Lumina Japan Acquisition Co., Ltd.
② Registered Address	The Okura Prestige Tower, 2-10-4 Toranomom, Minato-ku, Tokyo
③ Title and name of representative	Director Tsuneyuki Tanaka
④ Business	Holding Company
⑤ Total Capital	5,000 yen
⑥ Date of Establishment	March 12, 2026
⑦ Major shareholders and ownership ratio	Lumina Japan Holdings Co., Ltd. 100%
⑧ Relationship with the Company	
Capital relationship	Not applicable.
Personal relationship	Not applicable.
Business relationship	Not applicable.
To related parties applicable status	Not applicable.

(Note) The Company requested Riskpro Co., Ltd. (Address: 2-3-14 Kudan-Minami, Chiyoda-ku, Tokyo, Japan, Representative Director: Jin Koitabashi), a third-party investigation organization, to investigate whether the Allottee is anti-social forces, etc. and has any relationship with anti-social forces, etc., and received an investigation report dated March 23, 2026 stating that there is no relevant information indicating involvement with anti-social forces, etc. or illegal activities, and submitted a written confirmation to the Tokyo Stock Exchange. Furthermore, as part of the Share Subscription Agreement to be concluded with the Allottee as of today, the Company has received from the Allottee a representation and warranty that it is not an anti-social forces or has any relationship with any anti-social forces. Based on the above, the Company has determined that the parties related to the prospective Allottee are not anti-social forces and has no relationship with anti-social forces and submitted a written confirmation (third-party allotment) to the Tokyo Stock Exchange indicating that the Allottee has no relationship with anti-social forces.

(2) Reason for selecting the Allottee

Please refer to "(1) Background to the Third-Party Allotment" within "2. Purpose and Background of the Third-Party Allotment" above for the reason for selecting the Allottee.

(3) Holding policy of the Allottee

The Allottee has expressed its strong intention, following the Transaction, it will cooperate with the Company,

as its wholly owning parent company, to achieve growth from a medium- to long-term perspective.

Furthermore, the Company plans to obtain a written commitment from the Allottee that, if the Allottee transfers all or part of the New Shares acquired through the Third-Party Allotment within two years from the Payment Date, it will immediately report the details such as the name of the transferee and the number of shares transferred to the Company in writing, and that the Company will report the details of the report to the Tokyo Stock Exchange and agree that the details of the report will be made available for public inspection

(4) Matters Confirmed Regarding the Existence of Assets Necessary for Payment by the Allottee

The Allottee has indicated that it intends to fund the payment required for the Third-Party Allotment through a capital contribution from the Apollo fund that owns the Allottee. The Company has received a copy of a commitment letter from the Apollo fund that owns the Allottee, stating that the Apollo fund will provide the Allottee with funds equivalent to the amount to be paid in connection with the Third-Party Allotment, and has therefore determined that the Allottee has sufficient financial resources to make the payment for the Third-Party Allotment.

7. Major shareholders and shareholding ratios of the Company

Before the Third-Party Allotment (as of September 30, 2025)		After the Third-Party Allotment	
The Master Trust Bank of Japan, Ltd. (Trust Account)	13.25%	Lumina Japan Acquisition Co., Ltd.	72.04%
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC) (Standing proxy: MUFG Bank, Ltd.)	2.86%	UDS Corporate Mezzanine No. 4 Investment Limited Partnership General Partner: DBJ Corporate Mezzanine Partners Co., Ltd.	2.74%
The Japan Custody Bank, Ltd. (Trust Account)	2.50%	Japan Industrial Solutions II Investment Limited Partnership	2.54%
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE (Standing proxy: MUFG Bank, Ltd.)	2.07%	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.51%
NSG Supplier Shareholding Association	1.74%	UDS Corporate Mezzanine No. 3 Investment Limited Partnership General Partner: DBJ Corporate Mezzanine Partners Co., Ltd.	2.24%
J.P. MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	1.38%	BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC) (Standing proxy: MUFG Bank, Ltd.)	0.54%
SBI SECURITIES Co., Ltd.	1.28%	The Japan Custody Bank, Ltd. (Trust Account)	0.48%

JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO (Standing proxy: MUFG Bank, Ltd.)	1.19%	BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE (Standing proxy: MUFG Bank, Ltd.)	0.39%
GOVERNMENT OF NORWAY-CFD (Standing proxy: Citibank)	1.18%	NSG Supplier Shareholding Association	0.33%
BBH CO FOR ARCUS JAPAN VALUE FUND (Standing proxy: MUFG Bank, Ltd.)	1.11%	J.P. MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	0.26%

(Note 1) The above information is based on the register of shareholders as of September 30, 2025. As of the same date, the Company held 36,139 shares (0.04%) of treasury share, but these shares were excluded from the basis of the calculation of the shareholding ratio above.

(Note 2) The shareholding ratio of major shareholders after the offering is calculated based on 508,985,928 shares, which is obtained by adding (i) 38,252,710 shares of common share to be owned by the UDS funds and JIS fund upon the exercise of the Acquisition Rights, and (ii) 366,666,666 shares of the Company's common shares to be newly issued through the Third-Party Allotment, to the total number of issued shares as of February 27, 2026 (104,066,552 shares).

(Note 3) With respect to UDS funds and JIS fund, because all of the Class A Shares are scheduled to be converted through the exercise of the acquisition request right, their shareholding ratios are stated based on the Company's common shares that UDS funds and JIS fund are expected to hold.

8. Future Outlook

While the third-party allotment will contribute to the recovery and strengthening of the Company's financial position, its impact on the Company's business results is currently under review. In the future, we will promptly disclose the impact on business performance once it becomes clear.

9. Procedural Matters under the Corporate Code of Conduct

The 366,666,666 shares of new shares (3,666,666 voting rights) to be issued upon the Third-Party Allotment represent 257.64% of the total number of shares and total voting rights, calculated based on the aggregate of (i) the Company's issued and outstanding shares as of February 27, 2026, being 104,066,552 shares (1,040,665 voting rights), and (ii) the number of common shares to be held by the UDS Funds and the JIS Fund as a result of the exercise of the rights to request acquisition, being 38,252,710 shares (382,527 voting rights), totaling 142,319,262 shares (1,423,192 voting rights). As described above, the dilution ratio associated with the Third-Party Allotment will be 25% or more and will involve a change in controlling shareholders. Therefore, it will be necessary to obtain an opinion from an independent third party or go through procedures to confirm the intentions of the shareholders as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange. Accordingly, the Company plans to confirm the intentions of the minority shareholders with respect to the Third-Party Allotment by a special resolution at the Annual General Meeting of Shareholders.

Furthermore, in light of the fact that the Third-Party Allotment will entail not only a significant dilution and a

change in the controlling shareholder, but also that the Allottee is scheduled to make the Company a wholly-owned subsidiary and delist the Company's common shares thereafter, and in light of the significant impact that the Third-Party Allotment will have on the minority shareholders of the Company, and in order to ensure fairness, transparency and objectivity in the Company's decision-making process, the Company established the Special Committee consisting of Mr. Hideki Miyazaki, an Independent Director (Audit Committee Member) of the Company, Mr. Shinji Asazuma, an Independent Director (Audit Committee Member) of the Company, Mr. Tetsuya Fujioka, an Independent Director (Audit Committee Member) of the Company, and Mr. Junichi Tobimatsu, an attorney, as an Independent Expert with abundant experience in transactions similar to this case. The Special Committee was consulted on (1) the legitimacy and rationale of the purpose of the Transaction, (2) the fairness and appropriateness of the Transaction terms and conditions, (3) the fairness of the procedures of the Transaction, (4) whether the Transaction is considered not disadvantageous to the minority shareholders of the Company based on (1) through (3) above and other matters, and (5) in light of (1) through (4) (the "Consultation Matters") the Company consulted the Special Committee regarding whether the Board of Directors should approve the Transaction, and obtained the following report (the "Report") from the Special Committee as of March 23 2026.

(Summary of the Report)

Summary of the Opinion

- ①The purpose of the Transaction is considered legitimate and reasonable.
- ②The transaction terms are considered fair and appropriate.
- ③Fair procedures are considered to have been implemented in connection with the Transaction.
- ④The Transaction is not disadvantageous to the minority shareholders of the Company.
- ⑤It is appropriate for the Board of Directors to approve the Transaction.

Reasons for the Opinion

(1) Consultation Matter 1 (Legitimacy and reasonableness of the purpose of the Transaction)

With respect to the business environment surrounding the Company and the management issues faced by the Company as described in "① Financial Conditions of the Company and Necessity for Significant Capital Funding" of "(1) Background to the Third-Party Allotment" under "2. Purpose and Background of the Third-Party Allotment" above, the Special Committee shares the same understanding with the Company, and considers the Company's view to be reasonable.

Against this backdrop, Apollo's proposal can be evaluated as contributing to a fundamental and prompt resolution of the Company's existing financial structural issues, taking into account the large-scale capital injection, the Quasi-DES by the Major Financial Institutions, and the repayment of the existing borrowings of the UK subsidiary. In addition, in implementing strategic investments aimed at strengthening the Company's competitiveness and improving its profitability, such measures are expected to be feasible in light of Apollo's track record of investments and similar experience. Further, considering the risk of short-term deterioration in earnings and the possibility that the business reforms may not succeed, it is also considered reasonable to take

the Company private so as not to impose such risks on the existing shareholders. Moreover, in light of the timing of the Company's imminent repayment obligations, the Company's judgment that Apollo's current proposal represents a rare opportunity has a reasonable basis. Also, with respect to the use of proceeds described in "(2) Reasons for Choosing the Third-Party Allotment" under "3. Amount, Use and Timing of Proceeds" and in "4. Rationale for the Use of Proceeds" above, it is considered reasonable, from the perspective of resolving the Company's financial structural issues, to use the procured funds to repay the existing borrowings and other indebtedness of the UK subsidiary, which is subject to heavy covenant burdens.

In addition, with respect to the reason for selecting the Third-Party Allotment as the financing method, as described in "(2) Reasons for Choosing the Third-Party Allotment" under "2. Purpose and Background of the Third-Party Allotment" above, the Special Committee also considers that an equity financing method by way of a third-party allotment, which is expected to enable the Company to raise a certain amount of funds with certainty, is the most reasonable means available, and that the process of sponsor selection and the negotiation process with Apollo as the proposed allottee were appropriate. It should also be noted that the number of New Shares to be issued through the Third-Party Allotment will be 366,666,666 shares (3,666,666 voting rights), resulting in a large-scale dilution of 257.64% of the Company's total issued shares and total voting rights. However, because the Transaction ultimately contemplates taking the Company private, if the shareholders of the Company are able to receive reasonable consideration in connection with the Share Consolidation, the interests of the Company's shareholders can be regarded as secured. As stated in (2) Consultation Matter 2 (Fairness and Appropriateness of the Terms of the Transaction) below, the consideration to be received in connection with the Share Consolidation is deemed reasonable and as sufficiently taking into account the interests of shareholders.

Based on the foregoing, including the necessity and appropriateness of the financing, the purpose of the Transaction is considered to have legitimacy and reasonableness.

(2) Consultation Matter 2 (Fairness and Appropriateness of the Terms of the Transaction)

In the Transaction, the issue price for the Third-Party Allotment (the "Issue Price") is set at JPY 450 per share, and the amount of cash to be paid to minority shareholders in the Share Consolidation (the "Cash-Out Amount in the Share Consolidation") is set at JPY 500 per share. The fairness and appropriateness of these amounts are described in detail below.

(i) Fairness and appropriateness of the Issue Price

The Issue Price is considered as fair and appropriate for the following reasons:

a. Results of the share valuation by independent third-party valuation institutions

(a) Share valuation by the independent third-party valuation institution engaged by the Special Committee

The Special Committee received from Akasaka International Accounting, together with the valuation results described in "③Commissioning by the Special Committee of a valuation report and fairness

opinion from an independent third-party valuation firm” under “(1) Basis for the calculation of the amount to be paid and other specific details” in “5. Assessment of the Issuance Terms’ Reasonableness” above, explanations regarding the valuation methods used to value the Company’s common shares, the reasons for selecting such valuation methods, the selection of companies considered comparable to the Company and the indicators used for the comparable company method (multiple method), and the assumptions used in the DCF Method (including the discount rate (WACC), perpetual growth rate, and exit multiple). The Special Committee conducted Q&A sessions regarding the content thereof and the material assumptions underlying such valuation and confirmed their reasonableness. In addition, as described in “(c) Reasonableness of the Business Plan” below, the Business Plan serving as a premise for the DCF Method is also recognized as reasonable.

Accordingly, the contents of the Valuation Report (Akasaka International Accounting) are considered reasonable.

(b) Share valuation by the independent third-party valuation institution engaged by the Company

The Special Committee also received, together with the valuation results described in “② Commissioning of a valuation report by an independent third-party valuation firm” under “(1) Basis for the calculation of the amount to be paid and other specific details” in “5. Assessment of the Issuance Terms’ Reasonableness” above, explanations regarding the valuation methods used to value the Company’s common shares, the reasons for selecting such valuation methods, the selection of companies considered comparable to the Company and the indicators used for the comparable company method, and the assumptions used in the DCF Method (including the discount rate (WACC), perpetual growth rate, and exit multiple). The Special Committee conducted Q&A sessions regarding the content thereof and the material assumptions underlying such valuation and confirmed their reasonableness.

Further, as described in “(c) Reasonableness of the Business Plan” below, the Business Plan serving as a premise for the DCF Method is also recognized as reasonable.

Accordingly, the contents of the Valuation Report (SMBC Nikko) are considered reasonable.

(c) Reasonableness of the Business Plan

The Company’s business plan underlying the DCF Method was prepared by adjusting the business plan submitted to financial institutions in February 2025 based on performance through the most recent period, U.S. tariff policies, the status of automobile demand and the construction market in Europe and the United States, recovery measures, and other relevant factors. The Special Committee recognizes that this Business Plan was prepared under the leadership of the Company’s management independently of Apollo and that the risk of undue influence arising from structural conflicts of interest was reasonably eliminated.

The Special Committee received briefings from the Company regarding the contents of the Business Plan, the material assumptions thereunder, the background to its preparation, the major differences from the business plan initially prepared in February 2025, and the reasons for such differences, and

conducted Q&A sessions in that regard. The Business Plan are regarded as objective and reasonable in that it was prepared based on the business plan initially formulated in February 2025, and the differences from that earlier business plan reflect, as described above, the most recent performance, the current business environment, and near-term measures, and no specific unreasonable aspect has been identified for the Business Plan.

Accordingly, the Business Plan underlying the share valuation is recognized as reasonable in light of its assumptions, the process of its preparation, and the current circumstances of the Company, and has been approved by the Special Committee.

(d) Review based on the valuation results

As stated above, no specific unreasonable aspect has been identified in either the Valuation Report (Akasaka International Accounting) or the Valuation Report (SMBC Nikko).

The Issue Price is below the range indicated under the market share price method in both valuation reports, but falls within the range indicated under the comparable company method and the DCF Method, and is therefore considered reasonably justified.

b. Receipt of a Fairness Opinion

Akasaka International Accounting, which was engaged by the Special Committee to conduct the share valuation, has stated in its Fairness Opinion that the scheduled payment amount of 450 yen for the Third-Party Allotment is fair to the general shareholders of the Company from a financial point of view.

c. Comparison with other sponsor candidates

As described in “(ii) Background of Sponsor Selection” under “(1) Background to the Third-Party Allotment” in “2. Purpose and Background of the Third-Party Allotment” above, in order to explore potential support from alternative sponsor candidates, the Company reviewed and discussed other sponsor candidates and requested proposals after providing those candidates with opportunities to conduct due diligence. Those other sponsor candidates pointed out that the current high level of debt and funding constraints were affecting management flexibility, that it was necessary to convert debt into equity and implement structural reform through large-scale capital investment in order to resolve such issues and realize sustainable growth, and that, in light of the Company’s current and future cash flows, recent funding conditions, and debt obligations, the recent market price of the Company’s shares might not fully reflect refinancing risk on the part of financial institutions. They also made proposals regarding measures to improve the Company.

Thereafter, the Company, with the involvement of the Special Committee, compared and reviewed the specific terms of those proposals and evaluated Apollo’s proposal as superior overall from the perspectives of economic rationality, scale of financing, and likelihood of consummation of the transaction, and accordingly decided in late January, 2026 to continue discussions with Apollo.

It is recognized that, in the process followed in this matter, initial proposals were received from other

candidates, those candidates were given opportunities to conduct due diligence, and the contents of the proposals were comparatively reviewed. Accordingly, the Issue Price is considered to be reasonable as a price formed through such process.

d. Relationship with historical market price

As described in "(i) Amount to be paid for the Third-Party Allotment agreed upon with the Allottee and the details of the decision" under "(1) Basis for the calculation of the amount to be paid and other specific details" in "5. Assessment of the Issuance Terms' Reasonableness" above, the Issue Price (450 yen per share) represents a discount to the Company's market share price.

However, in light of the contents of the valuation reports and the Fairness Opinion obtained from the third-party valuation institutions described above, the Issue Price are not regarded as unreasonable and can also be evaluated as broadly comparable. When compared to the simple average of the closing prices for the 12-month period immediately prior to the Board of Directors resolution date (500 yen, representing a 10.00% discount) or the 24-month period immediately prior (451 yen, representing a 0.22% discount), as well as the range of the Company's closing prices during the same periods (321 ~ 699 yen for both 12 and 24 months), the Issue Price can be evaluated as not inferior when viewed over a longer-term share price trend.

In addition, as stated in (1) Consultation Matter 1 (Fairness and Appropriateness of the Terms of the Transaction) above, it is also worth taking into account that sponsor candidates pointed out that the recent market price of the Company's shares might not fully reflect refinancing risk on the part of financial institutions. It should also be considered that, because the DCF Method is premised on the continuation of the business following timely refinancing, if refinancing risk were to materialize, assumptions different from those used in the DCF Method would apply, and the resulting share value could be lower than the DCF-based valuation.

In light of the foregoing, the fact that the Issue Price represents a discount to the Company's market share price does not undermine the reasonableness of the Issue Price.

(ii) Cash-Out Amount in the Share Consolidation

The Cash-Out Amount in the Share Consolidation is considered fair and appropriate for the following reasons:

a. Results of the share valuation by independent third-party valuation institutions

The background and results of the valuation in the Valuation Report (Akasaka International Accounting) and the Valuation Report (SMBC Nikko) are as described in "a. Results of the share valuation by independent third-party valuation institutions" under "(i) Fairness and appropriateness of the Issue Price" above, and no specific unreasonable aspect has been identified.

The Cash-Out Amount in the Share Consolidation is JPY 50 higher than the Issue Price and includes a premium of 11.11%, and although it is below the range indicated under the market share price method in each valuation report, it falls within the range indicated under the comparable company

method and the DCF Method and is therefore considered reasonably justified.

b. Receipt of a Fairness Opinion

Akasaka International Accounting, which was engaged by the Special Committee to conduct the share valuation, has stated in its Fairness Opinion that JPY 500, being the Cash-Out Amount in the Share Consolidation is fair to the general shareholders of the Company from a financial point of view.

c. Process of determining the Cash-Out Amount in the Share Consolidation

First, as stated in (1) Consultation Matter 1 (Legitimacy and reasonableness of the purpose of the Transaction) above, Apollo's proposal was evaluated, after comparison with other sponsor candidates, as superior overall, including from the perspective of the economic rationality of the terms of the Transaction.

Moreover, under Apollo's initial proposal, the Cash-Out Amount in the Share Consolidation was proposed at the same price as the Issue Price for the Third-Party Allotment, namely JPY 450 per share.

However, the Company, with the involvement of the Special Committee, engaged in sincere discussions and negotiations with Apollo, including multiple requests for price increases, and as a result, it is contemplated that the Cash-Out Amount in the Share Consolidation will ultimately be set at JPY 500 per share.

No unreasonable aspect has been identified in either the comparison with sponsor candidates or the negotiations with Apollo, and the Cash-Out Amount in the Share Consolidation may therefore be evaluated as having resulted from a fair negotiation process.

d. Relationship with historical market price

As described in "(i) Amount to be paid for the Third-Party Allotment agreed upon with the Allottee and the details of the decision" under "(1) Basis for the calculation of the amount to be paid and other specific details" in "5. Assessment of the Issuance Terms' Reasonableness" above, the Cash-Out Amount in the Share Consolidation (500 yen per share) represents a discount to the Company's market share price.

However, in light of the contents of the valuation reports and the Fairness Opinion obtained from the third-party valuation institutions described above, the Cash-Out Amount in the Share Consolidation are not regarded as unreasonable and can also be evaluated as broadly comparable. When compared to the simple average of the closing prices for the 12-month period immediately prior to the Board of Directors resolution date (500 yen, representing a 0% premium) or the 24-month period immediately prior (451 yen, representing a 10.86% premium), as well as the range of the Company's closing prices during the same periods (321 ~ 699 yen for both 12 and 24 months), the Issue Price can be evaluated as not inferior when viewed over a longer-term share price trend.

In addition, as stated in (1) Consultation Matter 1 (Fairness and Appropriateness of the Terms of the Transaction) above, it is worth taking into account that sponsor candidates pointed out that the recent

market price of the Company's shares might not fully reflect refinancing risk on the part of financial institutions. It should also be considered that, because the DCF Method is premised on the continuation of the business following timely refinancing, if refinancing risk were to materialize, assumptions different from those used in the DCF Method would apply, and the resulting share value could be lower than the DCF-based valuation.

Further, the payment of consideration to the minority shareholders of the Company through the Share Consolidation forms part of an integrated transaction together with Apollo Funds' capital injection and the Quasi-DES by the Major Financial Institutions. In the entire process of such overall transaction, in which the interests and burdens of each relevant stakeholder are allocated, the fact that the consideration paid to shareholders is below the market price does not necessarily render it unreasonable.

In addition, the Cash-Out Amount in the Share Consolidation is subject to approval by a special resolution at the Annual General Meeting of Shareholders, and because Apollo Funds will not hold voting rights at such Annual General Meeting of Shareholders, it may be evaluated that the intention of the general shareholders will be reflected, which supports the fairness and appropriateness of the price.

In light of the foregoing, the fact that the Cash-Out Amount in the Share Consolidation represents a discount to the Company's market share price does not undermine the reasonableness of such amount.

(iii) Interim Summary

For the reasons set forth above, the terms of the Transaction, including the Issue Price and the Cash-Out Amount in the Share Consolidation, are considered fair and appropriate.

(3) Consultation Matter 3 (Fairness of the procedures of the Transaction)

a. Establishment of an independent Special Committee and its involvement in the discussions

In light of the complexity of the Transaction and the possibility that structural conflicts of interest could arise in the Company considering the Transaction, the Company established the Special Committee as described above (and the members of the Special Committee have remained unchanged since its establishment).

At the meeting of the Board of Directors described above, the Company resolved that the Board of Directors of the Company shall make decisions regarding the Transaction with the utmost respect for the judgment of the Special Committee, and that if the Special Committee determines that the implementation of the Transaction or the transaction terms thereof are not appropriate, the Board of Directors shall not approve the implementation of the Transaction. At the same time, the Company resolved to grant the Special Committee the authority to: (i) independently appoint, designate, or approve its own financial advisors, third-party valuation institutions, legal advisors, and other advisors ("Advisors, etc."), or designate or approve the Advisors, etc. appointed by the Company; (ii) receive from, or request explanations from, the Company's directors, executive officers, and employees regarding any matters necessary or relevant to the Transaction; and (iii) confirm the Company's negotiation policy regarding the terms of the Transaction, receive reports on the status of negotiations as appropriate, state its opinions, give instructions

and requests, substantially participate in the negotiation process, and, when necessary, conduct direct negotiations.

Further, as stated in (2) Consultation Matter 2 (Fairness and Appropriateness of the Terms of the Transaction) above, the Company engaged in sincere discussions and negotiations with Apollo, including multiple requests for price increases, and as a result, the Cash-Out Amount in the Share Consolidation was ultimately increased from JPY 450 per share to JPY 500 per share. As such, the Special Committee also stated its opinions, and made requests, regarding such price negotiations and was substantially involved therein.

Accordingly, it is recognized that a framework was in place to ensure that the Board of Directors of the Company would make decisions with the utmost respect for the judgment of the Special Committee, and that the Special Committee was granted the authority necessary for it to function effectively and, based thereon, was involved in the negotiations with Apollo.

b. Obtainment of a valuation report and Fairness Opinion from an independent third-party valuation institution by the Special Committee

As stated in (2) Consultation Matter 2 (Fairness and Appropriateness of the Terms of the Transaction) above, in order to ensure fairness in the decision-making process with respect to the Issue Price and the Cash-Out Amount in the Share Consolidation, the Special Committee requested Akasaka International Accounting, an independent third-party valuation institution, to conduct a valuation of the Company's common shares and to express an opinion as to the fairness, from a financial point of view, of the Issue Price and the Cash-Out Amount in the Share Consolidation to the minority shareholders of the Company, and obtained the Valuation Report (Akasaka International Accounting) and the Fairness Opinion from Akasaka International Accounting.

c. Obtainment of a valuation report from an independent third-party valuation institution by the Company

As stated in (2) Consultation Matter 2 (Fairness and Appropriateness of the Terms of the Transaction) above, in order to ensure fairness in the decision-making process with respect to the Issue Price and the Cash-Out Amount in the Share Consolidation, the Company requested SMBC Nikko, an independent third-party valuation institution, to value the Company's common shares and obtained the Valuation Report (SMBC Nikko) dated March 23 2026.

d. Obtainment of advice, etc. from independent external experts by the Company

In order to obtain expert advice regarding the fairness of the procedures in the Transaction, the Company appointed Mori Hamada & Matsumoto as its legal advisor, independent of both the Company and Apollo, and received legal advice from the firm regarding the method and process of decision-making by the Board of Directors, including the various procedures relating to the Transaction.

In addition, in examining the appropriateness of the Transaction, the Company received advice from SMBC Nikko, an independent financial advisor, from a financial perspective, and also received advice from

Deloitte Tohmatsu LLC, a financial and tax advisor, from financial and tax perspectives.

e. Implementation of a special resolution at the shareholders meeting

To implement the Transaction, at the Annual General Meeting of Shareholders of the Company, the proposals for a partial amendment to the Articles of Incorporation to increase the total number of authorized shares necessary for the implementation of the Third-Party Allotment and the Share Consolidation are required to be submitted and approved by a special resolution.

At the Annual General Meeting of Shareholders, Apollo Funds will not be entitled to exercise voting rights, and the framework is designed so that the views of the general shareholders who have no conflict of interest with Apollo will be respected.

f. Appropriate disclosure of information

The Special Committee received briefings from SMBC Nikko and Mori Hamada & Matsumoto on multiple occasions regarding the contents of the draft press release and reviewed those contents. According to those drafts, enhanced disclosure is planned regarding, among other things, summaries of the Valuation Report (Akasaka International Accounting) and the Valuation Report (SMBC Nikko), the background to the review of the Transaction, and the contents of this Report.

g. Procedural safeguards in the squeeze-out

The Transaction contemplates that Apollo Funds will acquire all shares of the Company, and a Share Consolidation is planned as the squeeze-out mechanism.

In this regard, if any shareholder of the Company is dissatisfied with the Cash-Out Amount in the Share Consolidation, such shareholder may notify the Company of its opposition before the Annual General Meeting of Shareholders at which the Share Consolidation is to be approved, vote against the resolution at the Annual Shareholders Meeting, and request that the Company purchase, at a fair price, all shares that will become fractional shares of less than one share as a result of the Share Consolidation (Article 182-4 of the Companies Act). In addition, if the shareholder is unable to reach an agreement with the Company on the price, the shareholder may petition the court for a determination of the price and seek the court's judgment as to the appropriate price (Article 182-5, Paragraph 2 of the Companies Act).

Thus, legal procedural safeguards are also available to general shareholders in connection with the squeeze-out procedures relating to the Transaction.

h. Interim Summary

For the reasons above, fair procedures are considered to have been implemented in the Transaction.

(4) Consultation Matter 4

For the reasons set forth above, the Transaction is considered to contribute to the enhancement of the Company's corporate value, and its purpose is considered legitimate and reasonable; the fairness and

appropriateness of the terms of the Transaction are considered to have been ensured; and the fair procedures are considered to have been implemented in connection with the Transaction. Accordingly, the Special Committee considers that the Transaction is not disadvantageous to the minority shareholders of the Company.

(5) Consultation Matter 5

For the reasons set forth above, the Transaction is considered to contribute to the enhancement of the Company's corporate value, and its purpose is considered legitimate and reasonable; the fairness and appropriateness of the terms of the Transaction are considered to have been ensured; fair procedures are considered to have been implemented in connection with the Transaction; and the Transaction is not disadvantageous to the minority shareholders of the Company. Accordingly, it is considered that it is appropriate for the Board of Directors of the Company to approve the Transaction.

10. Business Results and Equity Financing for the Last three Years

(1) Results for the past three years (consolidated)

(millions of yen)

	March 2023	March 2024	March 2025
Revenue	763,521	832,537	840,401
Operating Income	△10,342	35,950	11,242
Ordinary Income (loss)	△21,933	17,597	△8,525
Net Income (loss) per share	△393.06 yen	95.40 yen	△173.20 yen
Cash Dividends per share	-	-	-
Net Assets per share	723.78 yen	1,021.29 yen	843.04 yen

(2) Number of outstanding shares and number of dilutive shares at present (as of February 27, 2026)

	Number of Shares	The ratio to the total number of shares outstanding
Number of shares outstanding	104,066,552 shares	100.00%
Number of dilutive shares at the current conversion price (exercise price)	38,252,711 shares	37.76%
Number of potential shares at the minimum conversion price (exercise price)	- shares	-%
Number of potential shares at the maximum conversion price (exercise price)	- shares	-%

(3) Recent stock price performance

① Share Price Performance for the Past Three Years

	March 2023	March 2024	March 2025
Opening price	420 yen	644 yen	533 yen
High value	761 yen	882 yen	541 yen
Low price	360 yen	492 yen	319 yen
Closing price	634 yen	528 yen	395 yen

② Share Price Performance for the Past Six Months

	2025 September	October	November	December	2026 January	February
Opening price	527 yen	505 yen	575 yen	512 yen	602 yen	675 yen
High value	547 yen	636 yen	658 yen	607 yen	710 yen	694 yen
Low price	492 yen	486 yen	410 yen	454 yen	570 yen	572 yen
Closing price	510 yen	578 yen	517 yen	590 yen	685 yen	609 yen

③ The Share Price on the Business Day Immediately Preceding the Resolution Date for the Issuance

	2026 March 23
Opening price	422 yen
High value	427 yen
Low price	403 yen
Closing price	405 yen

(4) Status of equity financing over the Past Three Years

Not applicable.

III. Partial Amendments to the Articles of Incorporation to Increase the Total Number of Authorized Shares

1. Purpose of the change

In order to enable the issuance of the New Shares through the Third-Party Allotment, the Total Number of Authorized Shares will be changed from the current 177.50 million shares to 550.04 million shares in accordance with Article 6 (Total Number of Authorized Shares) of the current Articles of Incorporation.

2. Details of the change

In order to make the Third-Party Allotment possible, in accordance with Article 113, Paragraph 3 of the Companies Act, the Total Number of Authorized Shares stipulated in Article 6 of the current Articles of Incorporation will be increased not to exceed 4 times the total number of issued shares of the Company at the time when the amendment to the Articles of Incorporation becomes effective (the "Amendment to the Articles

of Incorporation").

Current articles of incorporation	Proposed amendment
<p>(Total Number of Authorized Shares and Total Number of Authorized Classes of Shares)</p> <p>Article 6 The total number of shares authorized to be issued by the Company shall be <u>177.50 million</u> shares.</p> <p>The total number of shares by class of shares authorized to be issued by the Company shall be as follows according to each class of shares.</p> <p><u>Common shares 177.50 million</u> shares</p> <p>Class A shares 40,000 shares</p>	<p>(Total Number of Authorized Shares and Total Number of Authorized Classes of Shares)</p> <p>Article 6 The total number of authorized shares of the Company shall be <u>550.04 million</u> shares.</p> <p>The total number of shares by class of shares authorized to be issued by the Company shall be as follows according to each class of shares.</p> <p>Common shares <u>550.00 million</u> shares</p> <p>Class A shares 40,000 shares</p>

3. Schedule

The schedule for the amendments to the Articles of Incorporation is as follows. Amendments to the Articles of Incorporation will become effective on the same date, subject to approval at the Annual General Meeting of Shareholders to be held on Late June 2026.

Date of the Annual General Meeting of Shareholders	Late June, 2026
Effective date of the amendments	June 2026

IV. Share Consolidation

1. Purpose and reason for the Share Consolidation

As described in "2. Purpose and Background of the Third-Party Allotment" within "II. Issuance of New Shares through Third-Party Allotment" above, the Company has determined that the Third-Party Allotment and the Share Consolidation are the best option. Accordingly, the Company has decided to implement the Share Consolidation so that the Allottee will be the sole shareholder of the Company, subject to the resolution of the Third-Party Allotment at the Board of Directors meeting held today and the approval of the shareholders at the Annual General Meeting of Shareholders, as well as subject to payment for the New Shares pertaining to the Third-Party Allotment (That is, all the New Shares to be issued through the Third-Party Allotment). As a result of the Share Consolidation, the number of common shares of the Company held by the minority shareholders other than the Allottee will be fractional shares less than one share.

2. Summary of the Share Consolidation

(1) Schedule of the Share Consolidation

As described in "I. Transaction process and timeline" above, the execution of the Third-Party Allotment is subject to the satisfaction of the Condition Precedent. The resolution by the Annual General Meeting of

Shareholders shall also serve as the approval by the resolution of the General Meeting of Shareholders in accordance with Article 206-2, Paragraph 4 of the Companies Act. Since the Share Consolidation will be implemented on the condition that all of the New Shares subject to the Third-Party Allotment will be issued, the Board of Directors of the Company resolved at the meeting held today to set different effective dates with respect to the Share Consolidation (the "Effective Date of the Share Consolidation") according to the time at which all of the New Shares subject to the Third-Party Allotment will be issued, as follows.

- ① The effective date of the Share Consolidation shall be July 31, 2026 on the condition that all of the New Shares subject to the Third-Party Allotment are issued by June 30, 2026.
- ② The effective date of the Share Consolidation shall be August 31, 2026 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between July 1, 2026 and July 31, 2026.
- ③ The effective date of the Share Consolidation shall be September 30, 2026 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between August 1, 2026 and August 31, 2026.
- ④ The effective date of the Share Consolidation shall be October 31, 2026 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between September 1, 2026 and September 30, 2026.
- ⑤ The effective date of the Share Consolidation shall be November 30, 2026 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between October 1, 2026 and October 31, 2026.
- ⑥ The effective date of the Share Consolidation shall be December 31, 2026 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between November 1, 2026 and November 30, 2026.
- ⑦ The effective date of the Share Consolidation shall be January 29, 2027 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between December 1, 2026 and December 31, 2026.
- ⑧ The effective date of the Share Consolidation shall be February 26, 2027 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between January 1, 2027 and January 31, 2027.
- ⑨ The effective date of the Share Consolidation shall be March 31, 2027 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between February 1, 2027 and February 28, 2027.
- ⑩ The effective date of the Share Consolidation shall be March 31, 2027 on the condition that all of the New Shares subject to the Third-Party Allotment are issued between March 1, 2027 and March 31, 2027.

(2) Details of the Share Consolidation

- ① Class of shares to be consolidated

Common share

- ② Consolidation ratio

On the Effective Date of the Share Consolidation 122,222,222 shares of the Company common shares owned by the shareholders entered or recorded in the final shareholder register on the previous day will be consolidated into one share.

③ Total number of issued shares to be decreased

508,949,412 shares

④ Total number of issued shares prior to the Effective Date

508,949,416 shares

(Note) The total number of issued shares prior to the effective date is calculated by taking the total number of issued shares as of February 27, 2026 (104,066,552 shares), adding (i) 38,252,710 shares of the Company's common shares to be held by the UDS Fund and the JIS Fund upon exercise of the subscription rights for acquisition, and (ii) 366,666,666 shares of common shares to be newly issued through the third-party allotment, and then subtracting (iii) 36,512 shares of common shares held by the Company as of December 31, 2025 and scheduled to be cancelled prior to the share consolidation

⑤ Total number of issued shares after the Effective Date

4 shares of Common shares

22,644 shares of Class A Shares

⑥ Authorized Share Capital after the Effective Date

16 shares of Common Shares

40,000 shares of Class A Shares

⑦ Details of cash settlement of fractional shares less than one share and amount of money to be delivered to the shareholders upon that cash settlement

As described in "1. Purpose and Reason for the Share Consolidation" above, due to the Share Consolidation, the number of common shares of the Company held by the minority shareholders other than the Allottee will be fractional shares of less than one share. Fractional shares of less than one share arising as a result of the Share Consolidation shall be disposed of by selling a number of common shares equivalent to the total number of the fractional shares (in accordance with the provisions of Article 235, Paragraph 1 of the Companies Act, if the total number includes fractional shares of less than one share, such fractional shares will be discarded) in accordance with the provisions of Article 235 of the Companies Act and other relevant laws and regulations, and the proceeds of that sale shall be delivered to minority shareholders in proportion to the fractional shares. With respect to this Transaction, the Company plans to obtain a court approval pursuant to the provisions of Article 234, Paragraphs 2 and 4 of the Companies Act, as applied mutatis mutandis in accordance with Article 235, Paragraph 2 of the Companies Act, and purchase the Company common shares equivalent to the total number of the fractional shares. With regard to the sale price, if the approval of the above court is obtained as scheduled, the Company plans to set the price such that the cash amount to be equivalent to the number of the Company common shares held by the minority shareholders before the Share Consolidation multiplied by 500 yen.

3. Basis for the amount of money to be delivered to the shareholders upon the Cash Settlement of Fractional Shares following the Share Consolidation

(1) The basis and reasons for the amount of money to be delivered to the shareholders upon the cash settlement of fractional shares

- ① Matters that have been taken into account to ensure the interests of shareholders of the Company other than the parent company, etc. be not harmed if there is such a parent company, etc.

Although the Allottee does not fall under the definition of parent company of the Company at the time of the payment for the New Shares pertaining to the Third-Party Allotment, the Company has implemented the measures described in "(4) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below to ensure the fairness of the sponsor support by eliminating arbitrariness in the decision-making process leading to the Transaction and avoiding conflicts of interest, in relation to the impact on minority shareholders.

- ② Matters regarding the amount of money to be delivered to the shareholders upon the cash settlement of fractional shares, and the appropriateness of that amount

(i) Matters related to the cash settlement of fractional shares when the cash settlement of fractional shares less than one share is expected

- (a) Which provision and reason to implement Article 235, Paragraph (1) of the Companies Act or Article 234, Paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Paragraph (2) of the same Act
Please refer to "⑦ Details of cash settlement of fractional shares less than one share and amount of money to be delivered to the shareholders upon that cash settlement" in "(2) Details of the Share Consolidation" of "2. Summary of Share Consolidation" above.

- (b) The name of the person who is expected to purchase the shares subject to the sale
Nippon Sheet Glass Co., Ltd.

(c) Method of securing funds for payment of the sale consideration by the purchasing party and appropriateness thereof

As of today, the Company has enough cash and deposits for the payment of the consideration corresponding to the number of common shares equivalent to the total number of the fractional shares less than one share resulting from the Share Consolidation. In addition, no event affecting the payment of the consideration for the fractional shares less than one share has occurred, and the Company is not aware of such event occurring in the future

Accordingly, the Company has determined that the method of securing funds for the payment of the consideration for the sale of the number of common shares equivalent to the total number of fractional shares less than one share is appropriate.

(d) Expected timing of sale and delivery of consideration obtained through the sale

Within approximately one month from the Share Consolidation Effective Date, the Company plans to request approval from the court pursuant to the provisions of Article 234, Paragraphs 2 and 4 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, for permission for the Company to purchase the number of fractions less than one share resulting from the Share Consolidation. The time when such permission can be obtained may vary depending on the circumstances of the court, etc., but upon obtaining the permission of the court, the Company is expected to purchase the Company common shares approximately within one to two months from the Effective Date of the Share Consolidation, after making the necessary preparations to deliver the sale proceeds to the minority shareholders. It is expected to deliver the sale proceeds to the minority shareholders approximately within two to three months from the Effective Date of the Share Consolidation.

Considering the time period required for the series of procedures from the effective date of the Share Consolidation to the sale, the Company views that the sale of the total number of fractional shares and the delivery of the consideration obtained through the sale is expected to be conducted at the respective times as stated above. The proceeds of that sale will be delivered to the shareholders listed or recorded in the Company's final register of shareholders as of the business day immediately preceding the Effective Date of the Share Consolidation, in a manner similar to the delivery of dividend by the Company.

(ii) Matters regarding the amount of money to be delivered to the shareholders upon the cash settlement of fractional shares, and the appropriateness of that amount

The expected amount to be delivered for the Share Consolidation is calculated by multiplying the number of the Company common shares held by the minority shareholders by 500 yen, which is an amount obtained by adding a 11.11% premium to the amount to be paid in (450 yen) for the New Shares through the Third-Party Allotment. This amount represents a premium of 23.46% against the closing price of 405 yen in March 23, 2026, the business day immediately preceding the date of the resolution by the Board of Directors. However, as described in "(1) Background to the Third-Party Allotment" within "2. Purpose and Background of the Third-Party Allotment" of "II. Issuance of new shares through the Third-Party Allotment" above, the expected amount for the Share Consolidation is the amount that was finally agreed as part of the discussions and negotiations with the Allottee, based on the belief that the immediate capital contribution at an appropriate enterprise value and equity value and distribution to existing shareholders would contribute to the preservation of corporate value and secure shareholder interests, since a cash injection is essential for the fundamental improvement of the Company's financial position, and if a cash injection is not executed at an early date, the Company's financial structural issues may materialize in the future. Therefore, the Company determined that this is the best offer for the Company's shareholders, and provides a reasonable opportunity to sell their shares.

It should be noted that the expected amount to be delivered in connection with the Share Consolidation, being 500 yen, is below the Company's consolidated book value of net assets per share as of December 31, 2025 (831 yen). However, book value of net assets represents a theoretical liquidation value and does not reflect the Company's future profitability or growth potential, and therefore does not constitute a factor that

negates the reasonableness of the Company's enterprise value assessment.

Furthermore, even in the event that the Company were to be liquidated, costs would be incurred for the demolition and removal of buildings in connection with dismantling and clearing the Company's headquarters and factories, and, with respect to machinery and equipment, substantial additional costs would be incurred for foundation removal and other work associated with their disposal. In addition, when taking into account the disposal of work-in-process, finished goods, and raw materials in the manufacturing process, it is not expected that the assets would be realized at amounts equal to their book values, and, in practice, the realized amounts are expected to be substantially impaired.

Moreover, in the event of the liquidation of the Company, it is expected that significant additional costs would be incurred, including premium severance payments to employees and professional fees such as attorneys' fees associated with the liquidation of the Company. In light of these factors, the amount ultimately distributable to the Company's shareholders would realistically be expected to be substantially impaired relative to the book value of net assets. Accordingly, the fact that the expected amount to be delivered in connection with the Share Consolidation is below the consolidated book value of net assets per share does not negate the reasonableness of such expected amount.

Based on the above, the Company has concluded that the expected amount (500 yen) to be delivered to the shareholders upon the cash settlement of fractional shares is reasonable.

- ③ Disposition of material property, assumption of material obligations, and other events that have a material impact on the Company's property that have taken place after the last day of the most recent business year

As described in "II. Issuance of new shares through the Third-Party Allotment" above, the Company has passed a resolution at the Board of Directors meeting held today to implement the issuance of the New Shares through Third-Party Allotment to Lumina Japan Acquisition Co., Ltd.

In addition, the Company resolved at a meeting of its Board of Directors held today to consolidate its 122,222,222 common shares into one share after the execution of the Third-Party Allotment and to distribute 500 yen per share to the minority shareholders of the Company other than the Allottee, in order to make the Allottee the sole Company's shareholder

(2) Valuation Matters

- ① The name of the valuation institution and its relationship with the Company and shareholders, etc. after the Share Consolidation

- (i) Commissioning of a valuation report by an independent third-party valuation firm

As described in "(1) Basis for the calculation of the amount to be paid and other specific details" within "5. Assessment of the Issuance Terms' Reasonableness" in "II. Issuance of new shares through the Third-Party Allotment" above, as part of the implementation of the Third-Party Allotment, the Company requested SMBC Nikko, a third-party valuation institution, to calculate the equity value of the Company common shares, and obtained the Valuation Report (SMBC Nikko) as of March 23, 2026. SMBC Nikko, a third-party valuation

institution, does not fall under the category of a related party of the Company and the Allottee, which will be the sole shareholder after the Share Consolidation, and does not have any material interest in relation to the Transaction.

In addition, for the purpose of examining the Matters to be Considered, the Special Committee requested Akasaka International Accounting, a third-party valuation institution, to express its fairness opinion from a financial prospective on the calculation of the equity value of the Company common shares, the amount paid for the New Shares and the Expected Amount for the Share Consolidation, and obtained the Valuation Report (Akasaka International Accounting) and the Fairness Opinion from Akasaka International Accounting. Akasaka International Accounting, a third-party valuation institution, does not fall under the category of a related party of the Company and the Allottee, which will be the sole shareholder after the Share Consolidation, and does not have any material interest in relation to the Transaction.

② Summary of Calculation

For the specific calculation methods used to determine the equity value of the Company common shares, the reason for adopting the calculation methods, the figures (range) as a result of the calculation methods, and important assumptions used for the calculation, please refer to "(1) Basis for the calculation of the amount to be paid and other specific details" in "5. Assessment of the Issuance Terms' Reasonableness" of "II. Issuance of new shares through the Third-Party Allotment" above.

(3) Prospects of Delisting

① Delisting

As described in "1. Purpose and Reason for the Share Consolidation" above, the Company has decided to implement the Share Consolidation so that the Allottee will be the sole shareholder of the Company, subject to the approval of shareholders at the Annual General Meeting of Shareholders and on condition that all of the New Shares relating to the Third-Party Allotment are issued. As a result, the Company common shares will be delisted through the prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange. After delisting, the Company common shares cannot be traded on the Tokyo Stock Exchange.

② Reasons for delisting

As described in "2. Purpose and Background of the Third-Party Allotment" within "II. Issuance of new shares through the Third-Party Allotment" above, the Company believes that the best option is for Apollo and the Company to work together and to build a management structure that enables flexible decision-making through the Transaction and delisting, as expected to contribute to our group's business continuity and medium- to long-term growth and to avoid exposing the Company's minority shareholders to additional risks.

③ Impact on minority shareholders and the Company's assessment of such impact

As described in "9. Procedural Matters under the Corporate Code of Conduct" of "II. Issuance of new shares through the Third-Party Allotment" above, the Company established the Special Committee, which consists of

Mr. Hideki Miyazaki, an Independent Director (Audit Committee member) of the Company, who has been registered as an Independent Officer with the Tokyo Stock Exchange as a person independent to a certain extent from the management of Apollo and the Company, Mr. Shinji Asazuma, an Independent Director (Audit Committee member) of the Company, Mr. Tetsuya Fujioka, an Independent Director (Audit Committee member) of the Company, and Mr. Junichi Tobimatsu, an attorney, as an Independent Expert with extensive experience in transactions similar to this matter, for the purpose of examining the Matters to be Considered, and obtain a report which indicates that the Third-Party Allotment is deemed to be necessary and appropriate, and that the Third-Party Allotment and the Transactions are not deemed to be disadvantageous to the minority shareholders of the Company.

(4) Measures to ensure the fairness of the Transaction and to avoid conflicts of interest

① Commissioning of a valuation report by an independent third-party valuation firm

As described in "(1) The basis and reasons for the amount of money to be delivered to the shareholders upon the cash settlement of fractional shares" within "5. Assessment of the Issuance Terms' Reasonableness" in "II. Issuance of new shares through the Third-Party Allotment" above, in implementing the Third-Party Allotment, the Company requested SMBC Nikko, a third-party valuation institution, to calculate the equity value of the Company common shares, and obtained the Valuation Report (SMBC Nikko) as of March 23, 2026. For the outline of the calculation, please refer to "(1) Basis of calculation of the paid-in amount and specific details thereof" in "5. Assessment of the Issuance Terms' Reasonableness" of "II. Issuance of new shares through the Third-Party Allotment" above.

② Commissioning by the Special Committee of a valuation report and fairness opinion from an independent third-party valuation firm

As described in "(1) Basis for the calculation of the amount to be paid and other specific details" within "5. Assessment of the Issuance Terms' Reasonableness" in "II. Issuance of new shares through the Third-Party Allotment" above, the Special Committee requested Akasaka International Accounting, a third-party valuation institution, to express its fairness opinion from a financial prospective on the calculation of the equity value of the Company common shares, the amount paid for the New Shares and the Expected Amount for the Share Consolidation, and obtained the Valuation Report (Akasaka International Accounting) and a Fairness Opinion from Akasaka International Accounting. For an outline of the calculation, please refer to "(1) Basis of calculation of the paid-in amount and specific details thereof" in "5. Assessment of the Issuance Terms' Reasonableness" of "II. Issuance of new shares through the Third-Party Allotment" above.

③ Obtaining opinions from people in the Company who are to some extent independent from the Company's management

As described in "9. Procedural Matters under the Corporate Code of Conduct" in "II. Issuance of new shares through the Third-Party Allotment" above, the Company established the Special Committee, which consists of Mr. Hideki Miyazaki, an Independent Director of the Company (Audit Committee member), who has been

registered as an Independent Officer with the Tokyo Stock Exchange as a person independent to a certain extent from the management of Apollo and the Company, Mr. Shinji Asazuma, an Independent Director of the Company (Audit Committee member), Mr. Tetsuya Fujioka, an Independent Director of the Company (Audit Committee member), and Mr. Junichi Tobimatsu, an attorney, as an Independent Expert with extensive experience in transactions similar to this matter, for the purpose of examining the Matters to be Considered, and obtained a report which indicates that the Third-Party Allotment is deemed to be necessary and appropriate, and that the Transaction is not deemed to be disadvantageous to the minority shareholders of the Company.

④ Advice from an independent law firm to the Company

The Company has appointed Mori Hamada & Matsumoto as its legal advisor and has received legal advice from Mori Hamada & Matsumoto regarding the Board of Directors' decision-making methods and processes, including the various procedures pertaining to the Transaction. Mori Hamada & Matsumoto is independent from the Company and Apollo and has no material interest in the Company or Apollo.

⑤ Unanimous approval from all directors who have no material interest in the Company

At the meeting of the Board of Directors held today, 8 persons who have no material interest in the company participated in the deliberation and resolution, and the above resolution was made by unanimous consent of all the Directors who participated.

4. Shareholders overview after the Share Consolidation

For the overview of the Allottee who will be the sole shareholder after the Share Consolidation, please refer to "(1) Overview of the Allottee" in "6. Reasons for the Selection of the Allottee" of "II. Issuance of New Shares through Third-Party Allotment" above.

5. Future Outlook

As described in "(1) Delisting" in "(3) Probability of Delisting" in "3. Basis for the amount of money to be delivered to the shareholders upon the Cash Settlement of Fractional Shares following the Share Consolidation" above, the Company common shares are scheduled to be delisted in accordance with the implementation of the Share Consolidation.

V. Abolition of Provision of Share Unit System

1. Reason for abolition

When the Share Consolidation becomes effective, the total number of issued shares of the Company will be 4 shares and there will be no need to determine any share unit.

2. Scheduled Date for Abolition

Same date as Effective Date of the Share Consolidation

3. Terms and Conditions of the abolition

The Share Unit System will be abolished on the condition that the Share Consolidation becomes effective.

VI. Partial Amendments to the Articles of Incorporation regarding Abolition of Share Unit System

1. Purpose of the amendments

If the proposal related to the Share Consolidation is approved as proposed at the Annual General Meeting of Shareholders and the Share Consolidation becomes effective, the total number of authorized shares of the Company common shares will be reduced to 16 shares in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. In order to clarify such point, Article 6 (Total Number of Authorized Shares) of the Articles of Incorporation will be amended on the condition that the Share Consolidation becomes effective.

When the Share Consolidation becomes effective, the total number of issued shares of the Company will be 4 shares, and there will be no need to determine any share units. Accordingly, subject to the Share Consolidation becoming effective, Article 7 (Share Unit) and Article 8 (Rights regarding Shares Less than One Unit) of the Articles of Incorporation will be deleted in order to remove the provision on the share unit system of common shares of the Company, which is currently 100 shares per unit, and the number of articles shall be moved up in accordance with such change.

2. Details of the Amendments

The details of the amendments are as follows. Amendments to the Articles of Incorporation regarding the Abolition of Share Unit System shall become effective on the same day as the Effective Date of the Share Consolidation, provided that the proposal related to the Share Consolidation is approved and approved as originally proposed at the Annual General Meeting of Shareholders and the Share Consolidation becomes effective.

(Changes are underlined)	
Articles of Incorporation before amendments	Additional Proposed amendments
<p>(Total Number of Authorized Shares and Total Number of Authorized Classes of Shares)</p> <p>Article 6 The total number of shares authorized to be issued by the Company shall be <u>550.04 million shares</u>.</p> <p>The total number of shares by class of shares authorized to be issued by the Company shall be as follows according to each class of shares.</p> <p>Common shares <u>550 million shares</u></p> <p>Class A shares 40,000 shares</p>	<p>(Total Number of Authorized Shares and Total Number of Authorized Classes of Shares)</p> <p>Article 6 The total number of shares authorized to be issued by the Company shall be <u>40,016 shares</u>.</p> <p>The total number of shares by class of shares authorized to be issued by the Company shall be as follows according to each class of shares.</p> <p>Common shares <u>16 shares</u></p> <p>Class A shares 40,000 shares</p>

(Unit Share)

Article 7 The number of common shares constituting (Deleted)
 one (1) unit of shares shall be one hundred (100),
 and the number of class A shares shall be one (1)
 share.

(Additional Purchase of Shares Less than One Unit)

Article 8 Pursuant to the provisions of the (Deleted)
 Regulations on Handling of Shares, etc., a
 shareholder may request the Company to sell
 shares to him/her, in order to make his/her shares
 constituting less than one (1) unit into a full unit of
 shares

Article 9 - Article 31 (Omitted)

Article 7 - Article 29 (Omitted)

3. Schedule

The schedule of amendments to the Articles of Incorporation regarding the Abolition of Share Unit System in the event that the New Shares pertaining to the Third-Party Allotment are issued at October 2026 is as follows.

Payment date for the Third-Party Allotment	October 2026 (planned)
Effective Date of the Share Consolidation	November 2026 (planned)
Effective date of the amendments to the articles of incorporation regarding the Abolition of Share Unit System	November 2026 (planned)

VII. Change in Parent Company, Major Shareholder and Largest Major Shareholder

1. Background of the change

If the Third-Party Allotment is carried out, the Allottee will own 72.04% of the voting rights of the Company and will therefore become the parent company and the largest major shareholder of the Company.

2. Overview of the shareholder subject to the change

The outline of the Allottee is as described in "(1) Overview of the Allottee" within "6. Reasons for the Selection of the Allottee" of "II. Issuance of new shares through the Third-Party Allotment" above.

3. Number of voting rights held by the shareholders before and after the Transaction (number of shares held) and the ratio of voting rights of all shareholders attributes

	Attributes	Number of voting rights (Ratio of voting rights held and number of shares held)			Major shareholders
		direct ownership	Total Amount	Total	

					ranking
Before the TPA	-	-	-	-	-
After the TPA	Parent company and major shareholders and largest shareholder	3,666,666 voting rights (72.04%)	-	3,666,666 voting rights (72.04%)	No. 1

(Note) The term "Voting Rights Ownership Ratio" means the ratio of the number of voting rights to the total number of voting rights (5,089,493 voting rights), calculated by adding (i) the Company's issued and outstanding shares as of February 27, 2026 (104,066,552 shares), (ii) the Company's common shares to be held by the UDS Funds and the JIS Fund as a result of the exercise of the rights to request acquisition (38,252,710 shares), and (iii) the number of common shares to be newly issued through the Third-Party Allotment (366,666,666 shares), and then deducting 365 voting rights corresponding to the number of treasury shares as of December 31, 2025 (36,512 shares)