

November 11, 2021

To All Concerned

Name of Listed Company NIPPO Corporation
 Representative Yoshikazu Yoshikawa, President and Representative Director
 (Code: 1881; First Section of the Tokyo Stock Exchange and Sapporo Securities Exchange (Existing))
 Contact Katsuya Shingyoku
 Information General Manager of Corporate Planning
 (TEL: 03-3563-6741)

Announcement of Opinion Regarding the Tender Offer for the Company's Shares by Roadmap Holdings GK

NIPPO Corporation (the "Company") hereby announces as follows that it has resolved at the meeting of the Board of Directors of the Company held at the date of this Press Release to again express an opinion in support of a tender offer (the "Tender Offer") for the common shares of the Company (the "Company Shares") by Roadmap Holdings GK (the "Tender Offeror"), which was announced in the Announcement of Opinion Regarding Planned Commencement of Tender Offer for the Company's Shares by Roadmap Holdings GK dated September 7, 2021, and to recommend the Company's shareholders to tender in the Tender Offer.

According to the "Notice Concerning Commencement of Tender Offer for Share Certificates of NIPPO Corporation (Securities Code: 1881)" released on November 11, 2021 by the Tender Offeror (the "Tender Offeror Press Release"), pursuant to the Transaction Agreement (as defined in "(I) Overview of the Tender Offer" under "(2) Basis and Reason for Opinions on the Tender Offer" under "3. Contents, Basis of and Reason for Opinions on the Tender Offer" below, the same applies hereinafter) executed by and between ENEOS Holdings, Inc. ("ENEOS"), and GK Nogizaka Holdings ("Nogizaka Holdings"), and Aether Holdings GK ("Aether Holdings," and together with Nogizaka Holdings, "GSSPC"), whose equity is wholly owned indirectly by Goldman Sachs (as defined in "(I) Overview of the Tender Offer" under "(2) Basis and Reason for Opinions on the Tender Offer" under "3. Contents, Basis of and Reason for Opinions on the Tender Offer" below, the same applies hereinafter), the Tender Offeror, ENEOS, and GSSPC (collectively, "Related Parties of the Tender Offeror") will implement the Tender Offer as a part of a series of transactions (the "Transaction") for the purpose of jointly privatizing the Company by way of acquiring all the Company Shares (excluding treasury shares owned by the Company and the Shares owned by ENEOS).

In addition, according to the Tender Offeror Press Release, the Tender Offeror intends to make the Company its wholly-owned subsidiary through the Tender Offer and a series of scheduled procedures to be taken thereafter as described in "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" under "3. Contents, Basis of and Reason for Opinions on the Tender Offer" below, and the Tender Offer is to be conducted on the assumption that the shares of the Company would be delisted.

Please note that the above-mentioned resolutions at the meeting of the Board of Directors were made on the assumption that the Tender Offeror intends to conduct transactions for the purpose of making the Company its wholly-owned subsidiary through the Tender Offer and a series of the procedures to be taken thereafter, and that shares of the Company would be delisted.

Further, the Board of Directors of the Company has resolved to recommend that the shareholders of the Company tender their shares in the Tender Offer as described above. However, the market price of the Company Shares is currently hovering around 4,120 yen (the closing price on November 10, 2021, which is the last trading day as of the date of publication of this Press Release), which is higher than the tender offer price of the Tender Offer (the "Tender Offer Price"), which is 4,000 yen. We would also like to inform our shareholders that sales of the Company Shares on the market will not be restricted by the commencement of the Tender Offer or the opinion of the Board of Directors of the Company recommending that the Company Shares be tendered.

Description

1. Outline of the Tender Offeror

(i)	Name	Roadmap Holdings GK
(ii)	Location	Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku, Tokyo
(iii)	Name and Title of Representative	Aether Holdings GK, Representative Partner Man Kinoshita, Managing Officer
(iv)	Description of Business	(1) Acquisition and holding of securities (2) All business incidental or related to the preceding item
(v)	Capital	1 million yen (as of November 11, 2021)
(vi)	Date of Incorporation	August 6, 2021
(vii)	Major Shareholders and Shareholding Ratio	GK Nogizaka Holdings 50% Aether Holdings GK 50%
(viii)	Relationship between the Company and the Tender Offeror	
	Capital Relationship	N/A
	Personal Relationship	N/A
	Business Relationship	N/A
	Applicability to the Related Parties	N/A

(Note) The Tender Offeror intends to receive a contribution of 38,999 billion yen from GSSPC and a contribution of 21 billion yen from ENEOS as the Contribution (as defined in "(I) Overview of the Tender Offer" under "(2) Basis and Reason for Opinions on the Tender Offer" in "3. Contents, Basis of and Reason for Opinions on the Tender Offer")

below), during the period from the last day of the period of the purchase in the Tender Offer (the “Tender Offer Period”) to the commencement of the settlement of the Tender Offer, subject to the completion of the Tender Offer. In addition, after the commencement date of the settlement of the Tender Offer, the Tender Offeror intends to implement the Organizational Change (as defined in “(I) Overview of the Tender Offer” under “(2) Basis and Reason for Opinions on the Tender Offer” in “3. Contents, Basis of and Reason for Opinions on the Tender Offer” below) to convert into a stock company. According to the Organizational Change, ENEOS will own 50.10% of the voting rights of the Tender Offeror and GSSPC will own 49.90% of the voting rights of the Tender Offeror.

2. Tender Offer Price
4,000 yen per share of the Company Shares

3. Contents, Basis of and Reason for Opinions on the Tender Offer

(1) Contents of Opinions on the Tender Offer

The Company resolved at a meeting of its Board of Directors held on November 11, 2021 to express its support for the Tender Offer and to recommend the Company’s shareholders to tender in the Tender Offer based on the grounds and reason set out in “(2) Basis and Reason for Opinions on the Tender Offer” below.

Please note that the above-mentioned resolutions of the Board of Directors were made in such manner as is set out in “(VI) Approval of All Directors Disinterested in the Company and Opinion of No Objection of Auditors Disinterested in the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer including measures to Ensure the Fairness of the Tender Offer Price and measures to avoid conflicts of interest” below.

(2) Basis and Reason for Opinions on the Tender Offer

The descriptions relating to the Related Parties of the Tender Offeror, out of the basis and reason for the opinions on the Tender Offer, are based on the explanations received from the Related Parties of the Tender Offeror.

(I) Overview of the Tender Offer

The Tender Offeror is a limited liability company (godo kaisha) established on August 6, 2021 for the purpose of acquiring and owning the Company Shares that are listed on the First Section of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) (the “First Section of the TSE”) by way of the Tender Offer. Nogizaka Holdings and Aether Holdings (Note 1) each invest 50% in the Tender Offeror.

(Note 1) Nogizaka Holdings and Aether Holdings are limited liability companies (godo kaisha) established under the laws of Japan for investment purposes by Goldman Sachs (as defined below), and all of their shares are indirectly owned by The Goldman Sachs Group, Inc. (the group centered on the relevant company is hereinafter referred to as “Goldman Sachs”). The Goldman Sachs Group, Inc. is a bank holding company globally engaged in leading investment banking services, securities services and investment management services. The Goldman Sachs Group, Inc. offers a wide range of services such as investment banking services, client services to institutional investors, investment and loan services and investment management services throughout the world based on its substantial and diversified customer base that includes corporations, financial institutions, governments and individuals. Established in 1869, The Goldman Sachs Group, Inc. is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

It is expected that the Related Parties of the Tender Offeror will conduct the Transaction based on the Transaction Agreement, and the Tender Offeror decided on September 7, 2021 to implement the Tender Offer as part of the Transaction on the condition of the satisfaction (or the waiver by GSSPC and ENEOS; provided, however, that the Tender Offer Conditions (viii) and (ix) cannot be waived by a party who breached the same) of each of the following conditions (the “Tender Offer Conditions”) including the completion of necessary procedures and responses pursuant to the competition laws in the EU, People’s Republic of China, Republic of Korea and Ukraine (the “Areas Subject to Notification Under Antitrust Laws”).

- (i) The Special Committee established within the Company has provided a report to express its support on the Company’s approval of the Tender Offer, the recommendation to the Company’s shareholders to tender their shares in the Tender Offer, and the implementation of the Transaction, and the relevant report has not been withdrawn.
- (ii) The Company’s board of directors has unanimously resolved (excluding any directors having or may have special interests with ENEOS) to support the Tender Offer and to recommend the Company’s shareholders to tender their shares in the Tender Offer, such resolution has been publicized, and no resolution to withdraw such opinion or otherwise is inconsistent with such opinion has been made;
- (iii) There is no material change regarding the businesses or properties of the Company or its subsidiaries as defined in the proviso clause of Article 27-11, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “Act”), or any other event that may constitute a material obstacle to the fulfillment of the purpose of the Tender Offer;
- (iv) No petition, lawsuit or procedure to restrict or prohibit any part of the Transaction is pending against any legal or administrative authorities, no decisions have been made by legal or administrative authorities that restrict or prohibit any part of the Transaction, and there is no real threat thereof.
- (v) With regards to the Transaction, any and all approvals under competition laws in Areas Subject to Notification Under Antitrust Laws (“Permissions”) have been obtained, and the waiting period has elapsed (if any) (including a receipt of notice that no Cease and Desist Order will be made). Moreover, fair trade commission or any other legal or administrative authorities of the relevant countries or regions are reasonably expected not to impose any measures or procedures that may prevent the conclusion of the Transaction;
- (vi) With regards to the notification under Article 27, Paragraph 1 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended; “FEFTA”), the period set forth in Article 27, Paragraph 2 of the FEFTA (or any shorter period if the period was shortened pursuant to the same Paragraph) has expired without any measures or procedures taken by

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- administrative authorities that prevent the Tender Offer, or such period is reasonably expected to expire prior to the commencement date of the settlement for the Tender Offer;
- (vii) The Shareholders Agreement (defined in “(III) Management Policy After the Tender Offer” below), the Capital Contribution Agreement between ENEOS and the Tender Offeror regarding the ENEOS Contribution (defined below), and the Capital Contribution Agreement between GSSPC and the Tender Offeror regarding the GSSPC Contribution (defined below) have been validly executed and remain in full force and effect.
 - (viii) GSSPC and ENEOS have performed or complied with in all material respects any and all obligations that must be performed or complied with under the Transaction Agreement prior to the commencement date of the Tender Offer (Note 2);
 - (ix) The representations and warranties of ENEOS, representations and warranties of Nogizaka Holdings, and representations and warranties of Aether Holdings under the Transaction Agreement are true and accurate in all material respects (Note 2); and
 - (x) The Company has confirmed that there are no material facts pertaining to the businesses (as defined in Article 166, Paragraph 2 of the Act) concerning the Company that are not publicized (as defined in Article 166, Paragraph 4 of the Act) by the Company.

(Note 2) For more details on the obligations under the Transaction Agreement and the specific terms of the agreement regarding representations and warranties thereunder, see “4. Matters concerning the material agreement between the Tender Offeror and the shareholders of the Company concerning the tender of the Tender Offer” below.

Further, as the Tender Offeror has confirmed that, of the Areas Subject to Notification Under Antitrust Laws, a document was issued in Europe by the European Commission to approve the acquisition of the Company Shares through the Tender Offer as of November 10, 2021 (local time) (the “Share Acquisition”), the Tender Offeror received that document on November 10, 2021, and it was confirmed that the Share Acquisition was approved on that date, the Tender Offeror confirmed that all of the Tender Offer Conditions have been satisfied, so the Tender Offeror decided on November 11, 2021 to commence the Tender Offer on November 12, 2021.

As of the date of this Press Release, the Tender Offeror and GSSPC do not own any Company Shares, but ENEOS owns 67,890,336 Company Shares (ownership ratio (Note 3): 57.01%), and the Company is its consolidated subsidiary. In addition, after the termination of the Tender Offer Period and before the commencement date of settlement of the Tender Offer, the Tender Offeror will accept contributions from GSSPC and ENEOS (the “Contribution”). After the Contribution, GSSPC and ENEOS will own all shares in the Tender Offeror. As a result of the subsequent Organizational Change (as defined below), ENEOS will acquire 50.10% of the voting rights in the Tender Offeror and GSSPC will acquire 49.90% of the voting rights in the Tender Offeror.

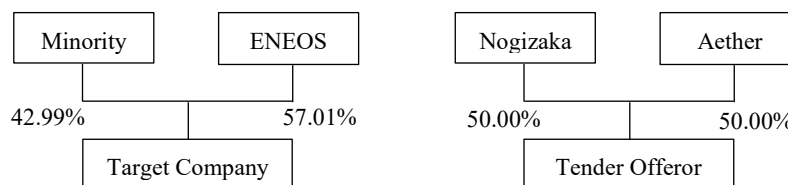
(Note 3) The “ownership ratio” refers to the ratio against the number of shares (119,085,086 shares) obtained by subtracting the number of treasury shares owned by the Company as of September 30, 2021 (316,750 shares) as stated in the “Financial Summary for the Second Quarter of the Fiscal Year Ending March 2022 Japanese Standard (Consolidated)” released on November 11, 2021 by the Company (the “Company’s Quarterly Financial Summary”) from the total number of issued shares as of September 30, 2021 (119,401,836 shares) as stated in the “Quarterly Report for the Second Quarter of the Fiscal Year Ending March 2022” filed on November 11, 2021 by the Company (the “Company’s Quarterly Report”) (rounded to the nearest hundredth; this also applies with regard to subsequent descriptions of the ownership ratio).

The Related Parties of the Tender Offeror plan to conduct each of the following transactions as the Transaction.

<Overview and Scheme Diagram of the Transaction>

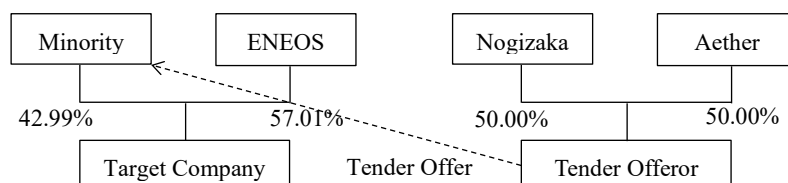
I. Pre-Tender Offer

As of November 11, 2021, ENEOS owns 67,890,336 Company Shares (ownership ratio: 57.01%).



II. Tender Offer (to commence on November 12, 2021)

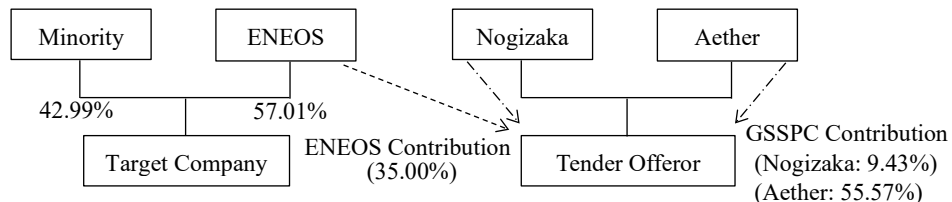
The Tender Offeror will implement the Tender Offer with respect to all of the Company Shares (excluding, however, the treasury shares owned by the Company and the Company Shares owned by ENEOS) (the Tender Offer Price per share of the Company Shares is 4,000 yen).



III. Post-Tender Offer

(1) Contribution (December 2021 (scheduled))

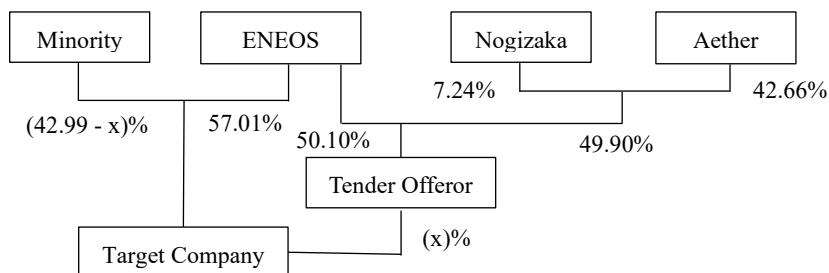
Subject to the completion of the Tender Offer, between the end of the Tender Offer Period and the commencement of settlement for the Tender Offer, GSSPC and ENEOS will make the Contribution (contribution by GSSPC to the Tender Offeror shall be hereinafter referred to as the “GSSPC Contribution” and contribution by ENEOS to the Tender Offeror shall be hereinafter referred to as the “ENEOS Contribution”); the aggregate amount to be paid in shall be 59.999 billion yen (of which the aggregate amount of the GSSPC Contribution shall be 38.999 billion yen and the aggregate amount of the ENEOS Contribution shall be 21 billion yen), and the ratio of each contribution after the Contribution, of which a total of 1 million yen that has already been contributed to the Tender Offeror as of the commencement of the Contribution and the Tender Offer, is 65.00% (Nogizaka Holdings: 9.43%, Aether Holdings: 55.57%, and ENEOS: 35.00%) (rounded to two decimals places, the same in the calculations of the percentages in the “Overview and Scheme Diagram of the Transaction” below).



(ii) Organizational Change (December 2021 (scheduled))

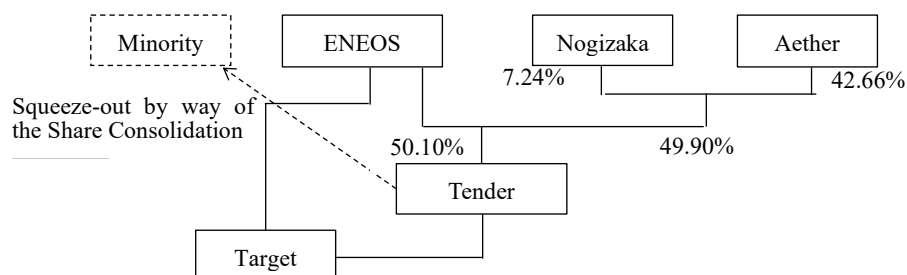
Subject to the implementation of the Contribution, after the commencement date of the settlement of the Tender Offer, the Tender Offeror will effect the change of organization from a limited liability company (godo kaisha) to a stock company (kabushiki kaisha) (the “Organizational Change”). In the Organizational Change, the Tender Offeror will issue Class A Preferred Shares, which are non-voting right shares, in the same number as the common shares, GSSPC and ENEOS will each acquire common shares (shareholding ratios: GSSPC: 49.90% (Nogizaka Holdings: 7.24%, Aether Holdings: 42.66%), ENEOS: 50.10%) and Class A Preferred Shares, which are non-voting right shares, of the Tender Offeror (shareholding ratios: GSSPC: 80.10% (Nogizaka Holdings: 11.62%, Aether Holdings: 68.48%), ENEOS: 19.90%). As a result, ENEOS will own 50.10% of the voting rights of the Tender Offeror and GSSPC will own 49.90% of the voting rights of the Tender Offeror (Nogizaka Holdings: 7.24%, Aether Holdings: 42.66%).

If the Tender Offeror or the Company decides to relist, GSSPC may request that ENEOS sell all or some of the Class A Shares of the Tender Offeror held by ENEOS (a number equivalent to a maximum of 9.95% of the total number of issued shares) (those Class A Shares may be converted to common shares only if (i) the Tender Offeror or the Company decides to relist, (ii) ENEOS or GSSPC intends to transfer the common shares of the Tender Offeror held by it and it received a request to sell those common shares from the other party (meaning GSSPC in the case of ENEOS, and ENEOS in the case of GSSPC, hereinafter the same), or (iii) ENEOS or GSSPC intends to transfer the common shares of the Tender Offeror held by it and it executed an agreement pertaining to that transfer with the expected transferee. Therefore, if the Tender Offeror or the Company decides to relist, GSSPC may purchase from ENEOS the Class A Shares in a number equivalent to a maximum of 9.95% of the total number of issued shares of the Tender Offeror, and following that, the Class A Shares may be converted into common shares at a ratio of 1:1.)



(iii) Share Consolidation (February – March 2022 (scheduled))

Subject to the implementation of the Contribution and the completion of the Tender Offer and the settlement thereof, the share consolidation as stated in “(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)” (the “Share Consolidation”) will occur to make the Tender Offeror and ENEOS the sole shareholders of the Company.



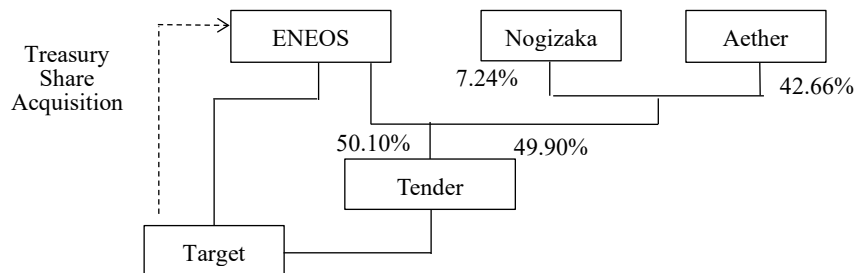
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(iv) Treasury Share Acquisition (timing: to be determined)

Promptly after the completion of the Share Consolidation, the Company is to acquire all of its shares owned by ENEOS (the “Treasury Share Acquisition”) (as the Treasury Share Acquisition is to be conducted after the delisting of the Company Shares, at that time the Company Shares will not constitute “listed share certificates, etc.,” which would be subject to a tender offer of treasury stock (Article 27-22(2) of the Act), (Article 24-6(1) of the Act and Article 4-3 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended), so the Treasury Share Acquisition will be executed without using the method of a tender offer). The Tender Offeror will own all of the Company Shares to make the Company its wholly owned subsidiary through the Treasury Share Acquisition. The consideration for acquiring treasury shares with respect to the Treasury Share Acquisition (the “Treasury Share Acquisition Price”) shall be 2,859 yen per share before the Share Consolidation (the total amount of the consideration for the treasury share acquisition in the Treasury Share Acquisition is 194,098,470,624 yen). The Tender Offer Price is 4,000 yen per share, but on the grounds that the provisions regarding exclusion of deemed dividends from taxable income will apply to ENEOS, and in light of the results of consideration that both of maximization of a tender offer price and fairness among shareholders can be achieved, the Treasury Share Acquisition Price was determined based on the amount at which the after-tax proceeds if ENEOS accepted the Tender Offer at the Tender Offer Price would be equivalent to the after-tax proceeds if ENEOS accepted the Treasury Share Acquisition (Note 4).

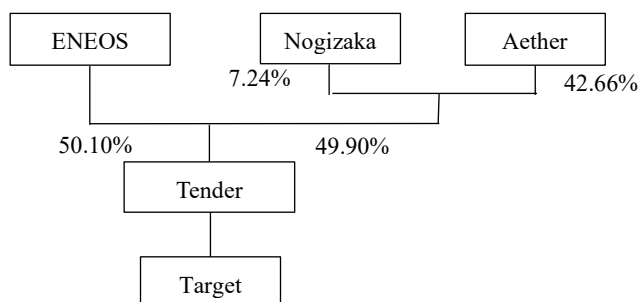
(Note 4) These are estimates as of the date of this Press Release based on certain assumptions referring to the financial figures of ENEOS and the Company for the fiscal year ending March 31, 2021, etc., and these estimates might differ from the actual after-tax proceeds that ENEOS will receive. In addition, since there might be some variance in these estimates due to the processing of fractions in the calculation process of the Treasury Stock Acquisition Price and other factors, the after-tax proceeds in the case where ENEOS tenders its shares in the Tender Offer at the Tender Offer Price and the after-tax proceeds in the case where ENEOS tenders its shares in the Treasury Stock Acquisition might not be completely identical.

The Treasury Share Acquisition will be conducted within the distributable amount of the Company. The Tender Offeror is to loan to the Company money that will be necessary for the Treasury Share Acquisition after the completion of the Tender Offer, in consideration of the amount of cash to be paid as the consideration for the Treasury Share Acquisition and the level of cash and deposits held by the Company and required for the business operation in the Company.



IV. Post-Transaction

As a result of each of the transactions described above, the Company will become a wholly owned subsidiary of the Tender Offeror.



As of September 7, 2021, GSSPC and ENEOS have entered into a master agreement regarding the Transaction (the “Transaction Agreement”), and agreed that ENEOS will not tender all of the Company Shares owned by ENEOS (67,890,336 shares, ownership ratio: 57.01%; the “Non-tendered Shares”) in the Tender Offer and that ENEOS will sell all of the Company Shares owned by ENEOS in response to the Treasury Share Acquisition to be implemented after the Share Consolidation takes effect. For more details on the Transaction Agreement, see “(4) Material Agreement Concerning the Tender Offer” below. Since it is expected that the provisions regarding exclusion of deemed dividends from taxable income set forth in the Corporation Tax Act (Act No. 34 of 1965, as amended) will apply to ENEOS in the Transaction, GSSPC and ENEOS agreed, in the Transaction Agreement, to sell the Non-tendered Shares through the Treasury Share Acquisition to be implemented by the Company in order to maximize the benefits of the Company’s shareholders subject to the Share Consolidation coming into force.

With respect to the Tender Offer, the Tender Offeror has set a minimum planned purchase quantity of 11,499,700 shares (ownership ratio: (9.66%)), and if the total number of share certificates tendered in the Tender Offer (the “Tendered Share Certificates”) is below this minimum planned purchase quantity, the Tender Offeror will not purchase the Tendered Share

Certificates. On the other hand, the Tender Offeror aims to cause the Company Shares to go private and has not set a maximum planned purchase quantity, and if the total number of the Tendered Share Certificates is equal to or exceeds the minimum planned purchase quantity, the Tender Offeror will purchase all of the Tendered Share Certificates. The minimum planned purchase quantity was set as the number obtained by the following formula: (i) the number of treasury shares owned by the Company as of September 30, 2021 as stated in the Company's Quarterly Financial Summary (316,750 shares) is deducted from the total number of issued shares of the Company as of September 30, 2021 as stated in the Company's Quarterly Report (119,401,836 shares); this amounts to 119,085,086 shares, which corresponds to 1,190,850 voting rights; (ii) the number of voting rights relating to the Non-tendered Shares (67,890,336 shares) (678,903 voting rights) is deducted from the number of voting rights relating to two-thirds of the number of voting rights described in (i) (793,900 voting rights); this amounts to 114,997 voting rights; and (iii) such number of voting rights is multiplied by 100 shares, which is the share unit number of the Company (11,499,700 shares). Since the Tender Offeror aims to make the Company its wholly owned subsidiary in the Transaction, and the special resolution in the shareholders' meeting as provided for in Article 309, Paragraph 2 of the Companies Act is required upon carrying out the Share Consolidation, the minimum planned purchase quantity was set so that the aggregate amount of the Company Shares held by the Tender Offeror and ENEOS would fulfill such requirement.

If the Tender Offeror fails to acquire all of the Company Shares (excluding, however, the treasury shares owned by the Company and the Company Shares owned by ENEOS) through the Tender Offer, as stated in "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" below, the Tender Offeror intends to request the implementation of the Share Consolidation as part of the Transaction to the Company after the completion of the Tender Offer. If a shareholder, who owns the Company Shares more than those held by the Tender Offeror, appears, the Tender Offeror intends to consult with ENEOS, etc., and deal with the situation with the aim of achieving the post-Transaction capital structure described in "IV. Post-Transaction" above. For more details on the Share Consolidation, see "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" below.

The Tender Offeror intends to cover the funds required for the settlement of the Tender Offer by borrowing from Mizuho Bank, Ltd. ("Mizuho Bank"), Sumitomo Mitsui Banking Corporation, and MUFG Bank, Ltd. (the "Tender Offer Settlement Funds Borrowing") and through the Contribution, and intends to accept the Tender Offer Settlement Funds Borrowing and the Contribution no later than the business day preceding the date of commencement of the settlement of the Tender Offer, subject to the completion of the Tender Offer. If the Tender Offeror, despite the completion of the Tender Offer, fails to acquire all of the Company Shares through the Tender Offer, the Tender Offeror intends to request the implementation of the Share Consolidation as part of the Transaction to the Company with the aim of making only the Tender Offeror and ENEOS shareholders of the Company. However, with respect to the funds required for the acquisition of the Company Shares equivalent to the sum of the fractional shares resulting from the Share Consolidation, the Tender Offeror intends to cover the same by the Tender Offer Settlement Funds Borrowing and the Contribution.

The Treasury Share Acquisition will be conducted within the distributable amount of the Company. The Tender Offeror is to loan to the Company money that will be necessary for the Treasury Share Acquisition after the completion of the Tender Offer, in consideration of the amount of cash to be paid as the consideration for the Treasury Share Acquisition and the level of cash and deposits held by the Company and required for the business operation in the Company.

(II) Background, Reasons and Decision-making Process Leading to Tender Offeror's Decision to Conduct Tender Offer

(i) History of the Company

The Company was incorporated as "Nippon Hodo Co., Ltd." with share capital of 1 million yen in February 1934, by amalgamating businesses of the road departments of Nippon Oil Co. (currently known as ENEOS Corporation) and Asano Bussan Co., and inheriting all the employees of the road department of Nippon Oil Co. as well as all the machinery and equipment of the road departments of both companies. The Company Shares were first listed on the Tokyo Stock Exchange in November 1949 and the Sapporo Securities Exchange (the "Sapporo Securities Exchange") in November 1968, respectively, and they are traded on both the First Section of the Tokyo Stock Exchange and the Sapporo Securities Exchange as of the date of this Press Release.

Since its incorporation, the Company has devoted itself to the establishment of its internal structure by rolling out branches and local offices one after another all over Japan while playing a role in the road construction projects as part of the post-war reconstruction of Japan. After participating in the First Five-Year Road Development Project in 1954, which was a milestone for the Company, the Company focused on the enhancement of our basic businesses, pavement and civil engineering, and product sales, by expansion of its branch network, enhancement of technologies and improvement of marketing abilities. From around 1985, the Company has expanded its lines of business, and we are currently actively promoting our wide range of businesses such as construction, real estate development, environment, and PFI businesses, and have bases overseas such as in China, India, Thailand, Myanmar, Vietnam, Indonesia and Tanzania.

In October 2003, the Company changed its corporate name to Kabushiki Kaisha Nippo Corporation (Nippo Corporation) and acquired the Construction and Engineering Division of Nippon Oil Engineering Co. Also, in July 2009, the Company changed its corporate name to Kabushiki Kaisha Nippo (Nippo Corporation). In April 2012, the Company's Plant Engineering Business was carved out and merged into JX Engineering Co. Ltd. (currently known as RAIZNEXT Corporation).

(ii) Current Status of the Company's Businesses

Our current corporate philosophy is, "We devote ourselves to the realization of a prosperous society through reliable craftsmanship." Under this philosophy, we are striving to enhance our relationship with the shareholders, investors and other stakeholders of the Company and contribute to the establishment of social and industrial infrastructures through our "reliable craftsmanship" while aiming to realize business development and stable management to operate our businesses in a way that meets the expectations from the public.

The Company has also been engaged in construction, manufacturing and sales of asphalt mixture, and development and other businesses as a corporate group consisting of 235 subsidiaries and 24 affiliates.

(Construction Business)

The Company is engaged in pavement and civil engineering works as well as construction works, and entrusted with certain construction works from ENEOS Corporation. Dai Nippon Construction (a consolidated subsidiary) is engaged in construction and general civil engineering works. Hasegawa Sports Facilities Co., Ltd. (a consolidated subsidiary) is mainly

engaged in construction works of sports facilities, and Nippo Kensetsu Co., Ltd. (a consolidated subsidiary) is engaged in general civil engineering works. Our other 104 consolidated subsidiaries, 19 non-consolidated subsidiaries, 6 affiliated companies and one equity method affiliated company are engaged in pavement and civil engineering works. Each of these companies is, under the leadership of the Company, operating its businesses based on its own marketing and construction policies.

(Manufacturing and Sales Business)

The Company is engaged in manufacturing and sales of asphalt mixture, asphalt emulsion and other paving materials all over Japan. Additionally, the Company purchases asphalt, the main material of asphalt mixture, from ENEOS Corporation. Our 85 subsidiaries including Fair Road Co., Ltd, 13 non-consolidated subsidiaries and 8 affiliated companies are engaged in manufacturing and sales of asphalt mixture as our business bases covering various regions all over Japan.

(Development Business)

The Company is engaged in real estate development business such as sale and lease of condominiums. Ashinoko Skyline Co., Ltd. (a consolidated subsidiary) is engaged in operation of automobile roads.

(Other Businesses)

The Company is engaged in lease of construction machinery, golf course and hotel businesses, PFI business and other businesses. MECX Incorporated (a consolidated subsidiary) and 2 affiliated companies are engaged in lease, sales, manufacturing and maintenance of construction machinery and vehicles. One consolidated subsidiary is engaged in PFI business, and one non-consolidated subsidiary is engaged in the operation of a golf course and a hotel, one affiliated company is engaged in soil investigation business and 5 non-consolidated subsidiaries and 6 affiliated companies are engaged in other businesses.

(iii) Business Environment and Major Initiatives of the Company

For the year ended March 2021, the Company Group delivered net sales of 445.7 billion yen (103.9% of the net sales in the previous year), ordinary profit of 46.8 billion yen (122.4% of the ordinary profit in the previous year), profit of 31.1 billion yen (131.7% of the profit in the previous year), achieving increases in sales and profit. More specifically, the results reflect various profit improvement factors, such as large-scale construction orders in the previous year, which resulted in an increase in sales. Meanwhile, we have seen impacts of economic recession in various areas due to the COVID-19 pandemic since last year, and the Company has also been affected by successive postponements of private construction orders in the construction industry. Additionally, our business environment has been difficult with higher raw material costs due to higher crude oil prices.

Under such current business environment, the Company Group established our “mid-to-long-term management vision” (for the FY 2018 to 2030) (Note 5) in May 2018, following which, we have continuously been engaged in initiatives to achieve “stable growth into the future.” Under the “mid-to-long-term management vision,” we focus on the following major issues:

(Note 5) For more details on “mid-to-long-term management vision” above, please see “‘Mid-to-long-term Management Vision’ Explanatory Meeting for the FY 2018 to 2030” that the Company released on May 21, 2018.)

(a) Further enhancement of domestic revenue base of our core (pavement and civil engineering, and products) business

Despite the business environment in which a growth of domestic construction market is not expected, we are committed to enhancement of domestic earning capacity of our core (pavement and civil engineering, and products) business (the “Core Business”), the highest revenue earning division of the Company Group, by ensuring our business bases and group companies all over Japan to be fully functional.

(b) Expansion of the Core Business overseas (globally)

Under our “mid-to-long-term management vision,” we are planning to increase net sales of our overseas businesses, which are currently 20 billion yen, to 80 billion yen. Among such endeavors, we are especially focused on the development of our “product business in the Southeast Asian region.” More specifically, we are expecting a growth in pavement works in the Southeast Asian region, and we are committed to the expansion of our Core Business overseas by enhancing the alliances with local constructors, which are mainly operating pavement works in various regions in each country.

(iv) Assessment by Related Parties of the Tender Offeror

Goldman Sachs is engaged in investment banking as one of its major business activities and it provides services such as M&A, financing, and risk management to a variety of domestic and foreign clients. With fairness and transparency of governance systems of listed subsidiaries being called upon even more, as in the announcement of the “Practical Guidelines for the Group Governance System” by the Ministry of Economy, Trade and Industry on June 28, 2019, Goldman Sachs exchanged various opinions with ENEOS about the shares of the Company, which is a listed subsidiary. The contents of the exchange of those opinions covered a wide range of topics, including making the Company a wholly-owned subsidiary of ENEOS, but given the significance of ENEOS holding the Company Shares as described below, that did not go beyond the scope of the exchange of opinions and no progress was made in those discussions. At the same time, Goldman Sachs exchanged views with the Company in order to understand the Company’s business, growth strategy and intentions. The exchange of opinions by Goldman Sachs with ENEOS and the Company was conducted as part of the ordinary business activities of the investment banking division of Goldman Sachs, and Goldman Sachs did not provide any advice to ENEOS or the Company.

Under the business strategy of “One Goldman Sachs,” Goldman Sachs is strengthening collaboration among its divisions and creating a system that can provide more comprehensive services to best meet the needs of its clients. Under that structure, and in light of the business environment surrounding ENEOS and the Company, Goldman Sachs has come to believe that taking the Company private through a capital investment by Goldman Sachs by a collaboration between its investment banking division and its merchant banking division, which provides investment and asset management services, etc. and making more flexible and prompt management decisions from a medium- to long-term perspective, including the expansion of its overseas business and real estate development business, will contribute to the realization of the Company’s vision and the enhancement of the Company’s corporate value.

Meanwhile, ENEOS routinely checks whether it is optimal to maintain its listed subsidiaries as listed subsidiaries from the perspective of enhancing the corporate value of the entire group and capital efficiency, and with regard to the nature of the capital

relationship between ENEOS and the Company, which falls under the category of parent-child listing, ENEOS has been continuously examining the ideal form of the relationship from the perspective of the medium- to long-term business portfolio strategy and strengthening the governance system.

Against this backdrop, in the beginning of February 2021 as one of the strategic options for the Company's capital relationship, Goldman Sachs proposed to ENEOS to take the Company private jointly with ENEOS while maintaining the parent-child relationship between ENEOS and the Company. Through various exchanges of opinions up to that point, Goldman Sachs came to recognize that, while ENEOS's ownership interest in the Company will be reduced and management resources will be further allocated to the development of growth businesses, from the perspective of management stability, including consideration of the public nature of the Company's business and the Company's employees, having ENEOS as the parent company while the Company remains a privately-held company has significance for both ENEOS and the Company, and Goldman Sachs has come to understand that a scheme that takes these factors into consideration is essential. Therefore, as mentioned above, Goldman Sachs proposed to take the Company private jointly with ENEOS while maintaining the parent-child relationship between ENEOS and the Company.

In the "2040 Group Long-Term Vision" announced in May 2019, ENEOS identified five growth businesses to be fostered and promoted over the medium to long term: petrochemicals businesses, materials businesses, environment-friendly businesses, community services businesses, and next-generation energy supply businesses. In considering the proposal by Goldman Sachs, ENEOS believed that it was necessary to determine the possibility of further synergies between these growth businesses and the Company's businesses, as well as the possibility of increasing the corporate value of the Company through alliances with other companies. ENEOS has checked for the existence of businesses where further synergies can be expected and the progress of alliances with other companies, mainly in the areas of environment-friendly businesses, community service businesses, and next-generation energy supply businesses, but it has come to the conclusion that there are no themes where significant synergy effects can be expected. In connection with that, ENEOS decided to proceed with a specific investigation on the dissolution of the parent-child listing with the Company.

Further, although ENEOS considered the option of making the Company a wholly-owned subsidiary as a means of dissolving the parent-child listing before reaching that decision, and even though ENEOS and the Company have a business relationship in areas such as asphalt, the overlap in business domains is limited. In addition, the Company has determined that it would be difficult to improve the corporate value of the Company through ENEOS' initiative by making it a wholly owned subsidiary in its main business of domestic public works and infrastructure works. In that context, ENEOS has informally received proposals regarding the Company from several securities companies and other parties, but the contents of those proposals were based on the assumption that the Company would become a wholly-owned subsidiary of the potential bidder or the majority of the voting rights of the Company would be obtained by the potential bidder and did not simultaneously satisfy the interests of ENEOS and the enhancement of the Company's corporate value. At the same time, the proposal by Goldman Sachs will ensure the sustainable growth of both ENEOS and the Company while further allocating ENEOS's management resources to the development of growth businesses, and that will contribute to the avoidance of potential conflicts of interest between the parent company and minority shareholders associated with the parent-child listing, the formulation of growth strategies, and increased flexibility and speed in decision-making by the management team. ENEOS has continued to engage in dialogue with Goldman Sachs based on the belief that the Transaction will enable ENEOS to further enhance its corporate value through the utilization of Goldman Sachs' global network and expertise in real estate development.

Thereafter, Broad Street Investments Japan G.K. (Note 6) appointed Anderson Mori & Tomotsune ("Anderson Mori & Tomotsune") as its legal advisor independent of the Related Parties of the Tender Offeror and the Company, KPMG FAS Co., Ltd. and KPMG Tax Corporation as accounting and tax advisors independent of the Related Parties of the Tender Offeror and the Company, and Goldman Sachs Japan Co. Ltd. as a financial advisor independent of the ENEOS and the Company, respectively, in late February 2021, and it has proceeded with specific discussions regarding the Transaction. On the other hand, in response to the proposal from Goldman Sachs, ENEOS appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as a financial advisor independent of the Related Parties of the Tender Offeror and the Company in late April 2021 and Nishimura & Asahi as a legal advisor independent of the Related Parties of the Tender Offeror and the Company in late April 2021, and it conducted an initial review of strategic options regarding the capital relationship with the Company.

(Note 6) Broad Street Investments Japan G.K. is a limited liability company organized under the laws of Japan for the purpose of investment by Goldman Sachs, and The Goldman Sachs Group, Inc. indirectly owns all of the equity interests therein.

On April 16, 2021, ENEOS and Goldman Sachs provided the Company with an initial explanation of the possibility of the Transaction, and further, after due consideration as described above, Goldman Sachs requested ENEOS to make an initial proposal to the Company on June 22, 2021 (that request, the "Request for Initial Proposal"). Goldman Sachs and ENEOS have come to the conclusion that, in order for the Company to achieve further growth and enhance its corporate value in the future, it is essential that ENEOS and Goldman Sachs jointly take the Company private in order to strengthen the profitability of its existing businesses and expand its business with speed and scale, as well as to establish an environment that allows for flexible and prompt management decisions from a more medium- to long-term perspective, including the expansion of the Company's overseas business and real estate development business, and to build a system that allows for the steady implementation of strategic measures not only within the Company but also by utilizing management resources outside the Company, so Goldman Sachs and ENEOS agreed to proceed with specific consideration of the Transaction, and on June 28, 2021, they submitted an initial proposal (the "Initial Proposal," and the contents of the Initial Proposal are the same as those of the Request for Initial Proposal) to the Company in their joint names. In the Initial Proposal, Goldman Sachs and ENEOS proposed a transaction method that envisaged the Company going private as a consolidated subsidiary of ENEOS through a tender offer with cash as consideration by a special purpose company in which GSSPC and ENEOS will invest, a subsequent squeeze-out, and a treasury share acquisition by the Company of the Company Shares held by ENEOS. With regard to that transaction method, the Company was still in the verification stage regarding the price of the treasury share acquisition itself at the time of the submission of the Initial Proposal, but because ENEOS was expected to be able to apply the provisions on the exclusion of dividends from gross profits, Goldman Sachs and ENEOS believed that the scheme of using the treasury share acquisition described above would

allow it to set a higher tender offer price and contribute to the enhancement of the interests of the Company's minority shareholders. Goldman Sachs presented to ENEOS the idea of a scheme using a treasury share acquisition as an option prior to providing the Company with the initial explanation of the possibility of the Transaction on April 16, 2021, as described above, because schemes using treasury share have been utilized many times in similar cases. Following that, as ENEOS continued to consider the matter, that scheme was presented in the Request for Initial Proposal, and after further consideration, ENEOS decided to adopt a scheme of using treasury share acquisition in the proposal made to the Company on July 26, 2021.

Since the submission of the Initial Proposal, Goldman Sachs and ENEOS have commenced specific discussions with respect to the Transaction. As part of this process, due diligence was conducted from June 30, 2021 to August 6, 2021 in order to examine the feasibility of the Transaction, and in parallel, discussions and examinations were held with the Company regarding the Transaction, the management structure and business policy after the Transaction, and other conditions of the Transaction. Those discussions and deliberations include the details of the Contribution and the Organizational Change. Specifically, with respect to the Contribution, the total amount of the Contribution based on the borrowing ratio, the ratio of voting rights between GSSPC and ENEOS that takes into consideration the parent-child relationship between the Company and ENEOS and the normal business operations of the Company, and the timing of the contribution between ENEOS and GSSPC were discussed by Goldman Sachs and ENEOS from the perspective of improving the operation and the corporate value of the Company after it is taken private. Further, to ensure the possibility of a merger between the Company, a stock company, and the Tender Offeror in the future, Goldman Sachs and ENEOS also confirmed the necessity of the Organizational Change that would reorganize the Tender Offeror from a limited liability company to a stock company.

As a result, the Tender Offeror has come to the conclusion that taking the Company private will contribute to the avoidance of possible conflicts of interest between the parent company and minority shareholders associated with a parent-subsidary listing, the formulation of growth strategies, and the flexibility and speed of decision-making by the Company's management, and that it is the best measure to respond to changes in the business environment surrounding the Company and contribute to the enhancement of the Company's corporate value. Specifically, Goldman Sachs and ENEOS intend to accelerate the Company's growth strategy by providing various support to the Company in the following two areas in order to establish new growth pillars, which the Company has identified as major strategic business issues.

(a) Overseas Business

As a company with high technology in the field of asphalt mixtures, entering and expanding the market of asphalt mixtures, especially in Southeast Asia, is one of the most important business strategies for us in order to develop our business in the new growth market, as the domestic asphalt market is shrinking. On the other hand, in order to expand our domestic business base to overseas markets, we need to understand the industry structure and business practices in each overseas market, how to work with local business partners, and consider various M&A strategies. Goldman Sachs and ENEOS will support the Company's growth strategy by maximizing their networks and expertise as global financial, investment and business companies. In particular, Goldman Sachs, with its global experience in investing in road paving and asphalt-related businesses and its world-leading M&A track record, will strongly support the Company in realizing its envisioned overseas business expansion.

(b) Real estate development business

The real estate development business of the Company has achieved solid results in the past five years such as steadily contributing to the profit by the operating profit ratio above the company average. However, there is room for further expansion and improvement, such as diversification of asset classes, expansion of scale, and optimization of fund procurement methods. Goldman Sachs has a track record of investing a cumulative total of more than US\$50 billion in the real estate development business globally over more than 30 years, and will share its knowledge and expertise as a competitor as well as project information with the Company in order to expand its business. As there is no significant overlap in the asset classes targeted by the Company and Goldman Sachs, the two companies have a complementary relationship, and it is contemplated that the two companies will work together to strengthen the Company's business base through joint investments and business expansion through information exchange.

In addition, since late July 2021, the Related Parties of the Tender Offeror have had multiple rounds of discussions and negotiations with the Company regarding the Tender Offer Price. Specifically, based on the disclosed financial information and other materials of the Company, the results of the due diligence conducted on the Company, and the results of the analysis conducted by the Tender Offeror using share valuation methods generally employed in transactions similar to the Transaction, such as analysis of the Company's market share price trends and comparative analysis with similar listed companies, the Tender Offeror has determined that the Tender Offer Price will be 3,600 yen per share. As of July 26, 2021, the Tender Offeror had not made any specific proposal regarding the Treasury Share Acquisition Price, as it was still under verification among the parties concerned.

Subsequently, on August 3, 2021 the Company's Special Committee (see "(i) Establishment of an independent special committee at the Company" in "(6) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below) requested the Tender Offeror to reconsider the Tender Offer Price and to reconsider the schedule of the Transaction for the purpose of ensuring a sufficient period of discussion and deliberation because the Special Committee considered that it did not sufficiently reflect the corporate value of the Company and was not at a sufficient level for the minority shareholders in light of factors such as the level of premiums in past tender offers in which a controlling shareholder intends to make a listed subsidiary private on and after June 28, 2019, when the Fair M&A Guidelines were published. Then, on August 5, 2021, the Tender Offeror made a re-proposal to the Company's Special Committee to set the Tender Offer Price at 3,800 yen per share and to set the date of public announcement of the Transaction to be September 7, 2021. In response, based on the reconsideration of the Tender Offer Price requested again by the Special Committee on August 6, 2021 on the grounds that the offered price was not at a sufficient level in light of the corporate value of the Company and the interests of the minority shareholders, the Tender Offeror decided on August 12, 2021 to set the Tender Offer Price at 3,850 yen per share, and that, in consideration of the fact that the provisions regarding exclusion of deemed dividends from taxable income will be applied, the Repurchase Price be based on the amount that would be equivalent to the after-tax proceeds if ENEOS were to tender the Company Shares in the Tender Offer at the Tender Offer Price and the after-tax proceeds if ENEOS were to sell the Company Shares in the Treasury Share Acquisition. Subsequently, on August 18, 2021, the Special Committee requested the Tender Offeror to reconsider its proposal, including the Tender Offer Price, and on August 23,

2021, the Tender Offeror proposed that the Tender Offer Price be set at 3,900 yen per share, and that the Repurchase Price be set at 2,790 yen per share, in accordance with the same calculation standards as those used in the August 12, 2021 proposal. In response, on August 26, 2021, the Special Committee requested that the Tender Offeror consider setting the Tender Offer Price at 4,000 yen per share, and on August 30, 2021, the Tender Offeror made a final proposal to set the Tender Offer Price at 4,000 yen per share and to set the Repurchase Price at 2,859 yen per share in accordance with the same calculation standards as at the time of the proposal on August 12, 2021. Further, the Tender Offer Price (4,000 yen per share) is a price plus a premium of 32.9% over the share price of 3,010 yen on June 10, 2021, the business day immediately preceding June 11, 2021, when there was a media speculation report regarding the consideration by ENEOS of options regarding its listed subsidiary, 36.9% over the simple average closing price of 2,921 yen for the past one month until June 10, 2021 (May 11, 2021 to June 10, 2021), 34.1% over the simple average closing price of 2,984 yen for the past three months (March 11, 2021 to June 10, 2021), and 38.7% over the simple average closing price of 2,885 yen for the past six months (December 11, 2020 to June 10, 2021), and the Tender Offeror made its final proposal after taking those premium levels into consideration.

As a result of these discussions and negotiations, on September 7, 2021, the Related Parties of the Tender Offeror and the Company reached an agreement that the Tender Offer Price would be 4,000 yen per share and the Treasury Share Acquisition Price would be 2,859 yen per share. According to the Tender Offeror, in consideration of the application of the provisions regarding exclusion of deemed dividends from taxable income, and based on its consideration that the Tender Offer Price can be maximized and fairness among shareholders can be achieved, the Tender Offeror has set the Treasury Share Acquisition Price at an amount that would be equivalent to the after-tax net proceeds if ENEOS were to accept the Tender Offer at the Tender Offer Price. Therefore, GSSPC and ENEOS entered into the Transaction Agreement and the Shareholders Agreement dated as of September 7, 2021, and subject to the satisfaction (or waiver by GSSPC and ENEOS) of the Tender Offer Conditions, as part of the Transaction, the Tender Offeror will purchase all of the Company Shares (except for the treasury shares owned by the Company and the Company Shares owned by ENEOS).

Further, as the Tender Offeror has confirmed that, of the Areas Subject to Notification Under Antitrust Laws, a document was issued in Europe by the European Commission to approve the Share Acquisition as of November 10, 2021 (local time), the Tender Offeror received that document on November 10, 2021, and it was confirmed that the Share Acquisition was approved on that date, the Tender Offeror confirmed that all of the Tender Offer Conditions have been satisfied, so the Tender Offeror decided on November 11, 2021 to commence the Tender Offer on November 12, 2021.

On September 28, 2021, ENEOS received a letter (Note 7) from Oasis Management Company Ltd. (“Oasis”) requesting a reconsideration of the partners and a higher tender offer price for the benefit of the Company Shares. However, ENEOS determined in mid-October 2021 that there was no need to reconsider the Tender Offer Price because it has already reached an agreement and made an announcement regarding the Transaction after sufficient consideration from the perspective of improving the corporate value of ENEOS and the Company and ENEOS has determined that Goldman Sachs is the most suitable partner for the Transaction because it believes that making flexible and agile business decisions from a medium- to long-term perspective, including the effective expansion of the overseas business and the real estate business by providing Goldman Sachs’ global network and expertise in the real estate development business, will contribute to the realization of the Company’s vision and ultimately to the enhancement of the Company’s corporate value, and because it has the roles of both the seller and the buyer and it determined the Tender Offer Price while in a position to consider what would be a reasonable price for not only the minority shareholders of the Company but also the shareholders of ENEOS. In addition, on October 25, 2021, the Tender Offeror and ENEOS each received a letter of inquiry from the Special Committee. In that letter of inquiry, the Special Committee asked ENEOS to again confirm the status of the consideration of potential acquirers other than Goldman Sachs. In response, on October 27, 2021, ENEOS submitted a response to the Special Committee stating that it has determined that Goldman Sachs, which proposed the current scheme, is the most suitable partner for the Company because ENEOS reached the conclusion that the realization of the Company’s vision, and ultimately the enhancement of the Company’s corporate value, would be achieved by making more flexible and agile business decisions from a medium- to long-term perspective, including the effective expansion of the overseas business and the real estate business by providing Goldman Sachs’ global network and expertise in the real estate development business. As the background to coming to that conclusion, ENEOS determined that while it would be desirable from the perspective of the stability of the Company’s management for ENEOS to be the parent company of the Company for the time being, given the public nature of the Company’s business and other factors, the overlap between the business domains of ENEOS and the Company is limited, and it would be difficult for ENEOS to realize the enhancement of the corporate value of the Company on its own. Prior to June 22, 2021, the date on which ENEOS received the Request for Initial Proposal from Goldman Sachs, ENEOS informally received proposals from several securities companies and others to make the Company a wholly-owned subsidiary or to acquire a majority of the voting rights of the Company, but none of those proposals led to discussions on the price or any other specific terms and conditions. In addition, all of those proposals were based on the premise that ENEOS would immediately cease to be the parent company of the Company and they did not simultaneously satisfy the interests of ENEOS and the enhancement of the corporate value of the Company. At the same time, the Tender Offeror received a request from the Special Committee of the Company asking: (i) the likelihood of the successful completion of the Tender Offer under the situation the market share price of the Company is still higher than the Tender Offer Price; (ii) whether or not the Tender Offer Price would be changed; and (iii) with respect to a majority of minority condition, whether it is correct in understanding that there is no change to the determination that, as stated in the “Notice Regarding the Execution of the Basic Agreement for the Tender Offer for the Subsidiary Shares” announced by ENEOS on September 7, 2021, “setting a majority of minority condition might make the successful completion of the Tender Offer unstable and might not serve the interests of the minority shareholders who intend to tender their shares in the Tender Offer.” The Special Committee asked the following question: “The market price of the Company’s shares is currently higher than the tender offer price of 4,000 yen, and we would like to know how your company expects to successfully complete the tender offer. Also, as a current assumption, please let us know if you expect to change the Tender Offer Price.” Following that, the Tender Offeror responded on November 2, 2021 stating that the Tender Offer Price represents a sufficient premium on the share price of the Company Shares, which has been at the highest level since its listing, and that the Tender Offer Price benefits the minority shareholders because it provides the minority shareholders of the Company with a reasonable and attractive opportunity to sell their shares and it believes that the Tender Offer attract sufficient tendered shares in light of that and the Company’s shareholder composition, and with respect to the majority of minority condition, the Company still believes that setting a lower limit would make the successful completion of the Tender Offer unstable and

might not serve the interests of the minority shareholders who intend to tender their shares in the Tender Offer. After the Tender Offeror sent the response above, the Related Parties of the Tender Offeror had discussions and negotiations with the Company. Based on the foregoing, the Tender Offeror confirmed that the Board of Directors of the Company has resolved to express an opinion in support of the Tender Offer and to recommend the shareholders of the Company to tender their shares in the Tender Offer, so it decided to commence the Tender Offer.

(Note 7) According to ENEOS, in the letter received by ENEOS from Oasis, none of the points mentioned in some media reports (lack of active market check, lack of majority-of-minority condition, concerns about the independence of the independent outside directors, problems with corporate valuation) have been raised.

(III) Management Policy After the Tender Offer

To date, the Company has built a solid position in Japan, boasting the top market share in the industry for many years and winning more orders from the public sector, where selection criteria are more stringent, as a testament to its technological prowess and reliability over the competition. After the completion of the Transaction, the Related Parties of the Tender Offeror will provide support to the Company based on Goldman Sachs' global franchise, while leveraging the Company's track record and position as an industry leader in terms of technological capabilities and business infrastructure, as well as its relationship of trust with its customers. Specifically, in line with the Company's overseas expansion strategy, Goldman Sachs will provide support for the acquisition of overseas local companies and business alliances based on a bird's-eye view of industries in major markets. In addition, Goldman Sachs' development and investment experience will be utilized to provide development services for a wide range of large-scale asset classes, including real estate, logistics facilities, and toll roads, in order to further enhance the corporate value of the Company.

In addition, for the purpose of establishing an appropriate management structure of the Company after the Transaction, the Company plans to have a person who is newly nominated by the Related Parties of the Tender Offeror assume the position of director of the Company after the Share Consolidation. The specific director candidates and other details of the management structure have not yet been determined, but ENEOS and GSSPC each plan on nominating four directors of the Company while continuing to consult with the Company in the future.

In addition, GSSPC and ENEOS have a basic policy to relist the Company Shares after the improvement of the corporate value of the Company is realized through the Transaction (there is currently no specific assumption regarding the timing and conditions of the relisting, and the goal and policy of the relisting have not yet been determined).

More specifically, as stated in "(II) Shareholders Agreement" under "(4) Matters concerning the material agreement between the Tender Offeror and the shareholders of the Company concerning the tender of the Tender Offer" below, GSSPC and ENEOS have entered into the Shareholders Agreement (the "Shareholders Agreement") as of September 7, 2021 and have agreed upon the fact that the Tender Offeror will have two directors, ENEOS and GSSPC may each nominate one director, the Company will have eight directors, ENEOS and GSSPC may each nominate four directors, and other matters regarding the operations of the Tender Offeror and the Company. For more details, see "(II) Shareholders Agreement" under "(4) Matters concerning the material agreement between the Tender Offeror and the shareholders of the Company concerning the tender of the Tender Offer" below.

(IV) Decision-making Process and Reasons Leading to Company Supporting Tender Offer

(i) Background of Establishment of System for Consideration

The Company received the initial explanation on the possibility of the Transaction from ENEOS and Goldman Sachs on April 16, 2021, and subsequently received the Initial Proposal from ENEOS and Goldman Sachs Japan Co., Ltd. on June 28, 2021. In response thereto, after considering the expertise, past results, etc. of several candidates for financial advisor and legal advisor, the Company started considering appointing Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor in late May 2021, and Mori Hamada & Matsumoto as its legal advisor in early June 2021, respectively, and resolved to appoint those advisors subject to the approval of the Special Committee and other conditions at the meeting of the Board of Directors of the Company held on July 5, 2021. After that, in light of the facts that the Company is a consolidated subsidiary of ENEOS and the Transaction to be implemented in accordance with the Transaction Agreement, including the Company's announcement of the opinion regarding the Tender Offer, might constitute a material transaction, etc. with a controlling shareholder, and that the Transaction may typically have structural conflict of interest issues and information asymmetry issues, the Company immediately commenced to establish the system for considering and determining the benefits and disadvantages of the Transaction, the appropriateness of the terms and conditions of the Transaction and the fairness of the procedures of the Transaction from the perspective of enhancing the Company's corporate value and securing the interests of the Company's minority shareholders independently from the Related Parties of the Tender Offeror and the Company, by taking into account the advice of Mori Hamada & Matsumoto, in order to ensure the fairness of the Transaction.

In particular, as described in "(I) Establishment of an Independent Special Committee by the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the Company proceeded with the preparation for the establishment of the Special Committee comprised of its Independent Outside Directors since late June 2021. After that, by a resolution of the meeting of the Board of Directors of the Company held on July 5, 2021 promptly after receiving the Initial Proposal from ENEOS and Goldman Sachs on June 28, 2021, the Company established the Special Committee (for the background of establishment, process of considerations, content of decision, etc. of such Special Committee, please see "(I) Establishment of an Independent Special Committee by the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below) comprised of three members, being Mr. Tsutomu Kimura (Independent Outside Director of the Company; Advisor of National Institution for Academic Degrees and Quality Enhancement of Higher Education), Mr. Muneaki Ueda (Independent Outside Director of the Company; Chairman and Representative Director of Professional Bank Inc.; etc.) and Mr. Takashi Kashihara (Independent Outside Director of the Company; Special Advisor of UCHIDA YOKO CO., LTD.). The Company consulted with the Special Committee and requested to submit its opinion to the Board of Directors on (i) whether the purpose of the Transaction is reasonable from the perspective of whether or not it will contribute to the enhancement of the Company's corporate value, (ii) whether (a) the appropriateness of

the terms and conditions of the Transaction and (b) the fairness of the procedures of the Transaction are ensured from the perspective of securing the interests of the Company's minority shareholders, (iii) whether or not to recommend the Board of Directors to decide to implement the Transaction, by taking into account the considerations and judgments in (i) and (ii) above, and (iv) whether or not the Company's minority shareholders will suffer disadvantages if the Company (including the Board of Directors) decides to implement the Transaction, by taking into account the considerations and judgments in (i) and (ii) above (collectively, the "Consulted Matters"). In that resolution, the decision on the implementation of the Transaction included (i) the decision to express an opinion in support of the Tender Offer and recommend the Company's shareholders to tender their shares in the Tender Offer and (ii) the decision on the procedures for the privatization of the Company that will be conducted after the Tender Offer as part of the Transaction.

Furthermore, the Board of Directors resolved to make decisions on the Transaction with the utmost respect to the judgments of the Special Committee, and not to decide to implement the Transaction if the Special Committee determines that the purpose, terms and conditions or procedures of the Transaction, including the Tender Offer, are inappropriate. The Board of Directors also resolved to authorize the Special Committee to (i) substantially participate in the process of the negotiation with the Tender Offeror (including receiving the status report on such negotiation, and if necessary, giving instructions or requests regarding the negotiation policy with the Tender Offeror, and negotiating with the Tender Offeror on its own); (ii) in considering the Consulted Matters, designate or approve (including subsequent approval) the Company's financial, legal or other advisors, and if necessary, appoint the financial, legal or other advisors of the Special Committee itself (the Company will bear the expenses in this case); (iii) receive information from directors and employees of the Company that is required for them to consider and make decisions regarding the Transaction; and (iv) ask any person deemed necessary by the Special Committee to attend a meeting of the Special Committee and ask for explanations on the necessary information (for the method of adopting the resolutions at such Board of Directors meeting, please see "(I) Establishment of an Independent Special Committee by the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below).

As described in "(I) Establishment of an Independent Special Committee by the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, based on the above-mentioned authority, the Special Committee approved the appointments of Mizuho Securities as the Company's financial advisor and third-party valuation organization, and Mori Hamada & Matsumoto as the Company's legal advisor, after confirming that there were no concerns with their independence and expertise. In addition, as described in "(I) Establishment of an Independent Special Committee by the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, on July 20, 2021, based on the above-mentioned authority, the Special Committee decided to appoint YAMADA Consulting Group Co., Ltd. ("Yamada Consulting") as its own financial advisor and third-party valuation organization, after confirming its independence and expertise.

The Company established the internal system for considering, negotiating and making decisions on the Transaction independently from the Related Parties of the Tender Offeror (including the scope of the Company's directors and employees participating in the consideration, negotiation and decision-making on the Transaction and their duties), and obtained the approval of the Special Committee as there were no concerns with such system for consideration in terms of independence, as described in "(VI) Establishment of an Independent Review System at the Company" under "(5) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

(ii) Background of Consideration and Negotiation and Content of Decision

After the establishment of the system for consideration described in (i) above, the Company received the report on the results of the valuation of the Company Shares, the advice on the negotiation policy with the Related Parties of the Tender Offeror and other advice from a financial perspective from Mizuho Securities, and also the guidance and other legal advice on the measures to be taken in order to ensure the fairness of the procedures of the Transaction from Mori Hamada & Matsumoto. Based on the foregoing, the Company carefully considered the benefits and disadvantages of the Transaction and the appropriateness of the terms and conditions of the Transaction.

As described in "(ii) Background to Considerations and Content of Decision Until Submission of the Findings Report" under "(I) Establishment of an Independent Special Committee by the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, since the Special Committee received the first proposal from Goldman Sachs and ENEOS on July 26, 2021 that the Tender Offer Price be set at 3,600 yen per share, the Special Committee has continuously discussed and negotiated with the Related Parties of the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price. Specifically, in response to the proposal made on July 26, 2021, the Special Committee, on August 3, 2021, requested that the Tender Offer Price be raised and that the schedule for the Transaction be reconsidered in order to ensure a sufficient period of time for consideration in terms of enhancing the corporate value of the Company and protecting the interests of the minority shareholders. In response to this, on August 5, 2021, the Related Parties to the Tender Offeror re-proposed that the Tender Offer Price be set at 3,800 yen per share and that the date of public announcement of the Transaction be September 7, 2021. In response, on August 6, 2021, the Special Committee again requested a review of the Tender Offer Price, and on August 12, 2021, the Related Parties of the Tender Offeror re-proposed the Tender Offer Price to be 3,850 yen per share. In addition, on August 18, 2021, the Special Committee, while confirming the relationship with the acquisition price of the Treasury Share Acquisition and whether or not the Tender Offeror intends to set a majority of minority condition, again requested a review of the tender offer price. Accordingly, on August 23, 2021, the Related Parties of the Tender Offeror proposed that the Tender Offer Price be 3,900 yen per share, and that, in consideration that the provisions for exclusion of deemed dividends from taxable income would apply to ENEOS in the Treasury Share Acquisition, the Treasury Share Acquisition Price be set at 2,790 yen per share based on an amount equivalent to the after-tax proceeds if ENEOS accepted the tender offer and the after-tax proceeds if ENEOS accepted the share repurchase (for details, see (Note 4) in (I) Overview of the Tender Offer" under "(2) Basis and Reason for Opinions on the Tender Offer" above). Even after receiving such proposal, the Special Committee judged that further negotiations should be conducted from the viewpoint of the interests of the minority shareholders, and on August 26, 2021, the Special Committee requested the Related

Parties of the Tender Offeror to repropose the Tender Offer Price as 4,000 yen per share based on the market price and other market conditions as of that date. As a result, on August 30, 2021, the Special Committee received a proposal from the Related Parties of the Tender Offeror to set the Tender Offer Price at 4,000 yen per share and the Treasury Share Acquisition Price at 2,859 yen per share, and determined that, in principle, the price was reasonable from the viewpoint of the interests of the minority shareholders.

In the course of such negotiations, the Special Committee deliberated carefully from the perspective of the interests of the minority shareholders based on various advice received from Yamada Consulting, Mizuho Securities, and Mori Hamada & Matsumoto and decided its own negotiation policy.

Further, on September 7, 2021, the Company received from the Special Committee a findings report (the “Findings Report”) stating that (1) it believes the purpose of the Transaction is reasonable from the perspective of whether that will contribute to enhancing the corporate value of the Company, (2) it believes that (a) the appropriateness of the terms and conditions of the Transaction and (b) the fairness of the procedures of the Transaction are ensured from the perspective of securing the interests of the Company’s minority shareholders, (3) it believes if the Tender Offer commences, the Board of Directors of the Company should make (i) a decision to express an opinion in support of the Tender Offer and recommend the Company’s shareholders to tender their shares in the Tender Offer and (ii) a decision on the procedures for the privatization of the Company that will be conducted after the Tender Offer as part of the Transaction, and (4) it believes the minority shareholders of the Company will not be disadvantaged by the Company (including the Board of Directors of the Company) making a decision to execute the Transaction (for an outline of the Findings Report, please see “(I) Establishment of an Independent Special Committee by the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below). In addition to the Findings Report, the Company also received from the Special Committee the share valuation report regarding the results of the valuation of the Shares (the “Share Valuation Report (Yamada Consulting)”) and the fairness opinion stating that the Tender Offer Price of 4,000 yen per share is a fair price for the shareholders of the Shares (excluding the Tender Offeror and ENEOS) from a financial perspective (the “Fairness Opinion (Yamada Consulting)”) submitted by Yamada Consulting to the Special Committee on September 6, 2021 (for the outline of the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting), please see “(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization” under “(3) Matters Concerning Valuation” below).

Under the circumstances described above, at the Board of Directors meeting held on September 7, 2021, the Company carefully discussed and deliberated whether or not the Transaction, including the Tender Offer, will contribute to the enhancement of its corporate value, and whether or not the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate, by taking into account the legal advice received from Mori Hamada & Matsumoto, the advice from a financial perspective and the share valuation report regarding the results of the valuation of the Shares submitted on September 6, 2021 (the “Share Valuation Report (Mizuho Securities)”) from Mizuho Securities, as well as the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting) submitted through the Special Committee, and paying utmost respect to the judgments of the Special Committee presented in the Findings Report.

As a result, as described below, the Company has concluded for its part that becoming a wholly-owned subsidiary of the Tender Offeror and having the capital structure that ENEOS holds 50.10% of its voting rights and Goldman Sachs holds 49.90% of its voting rights, due to the Transaction, will enable the Company to expect the expansion of overseas business, the growth of the real estate development business and other matters while stably maintaining and expanding the Company’s Core Business and will contribute to the enhancement of the Company’s corporate value.

Out of the corporate value enhancement effects that are expected to occur due to the Transaction, first of all, in terms of the expansion of overseas business, although the Company’s advanced technology relating to asphalt mixture is also highly competitive in overseas markets, it will be necessary to expand sales channels and take other actions through cooperation with local partners in order to expand the business foundation overseas. In this regard, the Company has determined that since Goldman Sachs has a global high-quality network as a financial/investment company with an internationally established reputation, the Company can expect to build cooperative relationships with the most appropriate local partners and expand business development in overseas markets by utilizing such network.

Secondly, as for the growth of the real estate development business, the Company has had a certain level of business foundation for some time and has achieved solid results, but on the other hand, although the most important factor for the growth of such business is numerous and quick access to new project information, the Company alone does not have sufficient access to such information in terms of both quality and quantity, and therefore there are constraints on the expansion of business. In this regard, since Goldman Sachs has an extensive investment performance in the real estate business amounting globally to USD 50 billion in total for more than 30 years and a strong presence in the real estate market for a long period of time, it is believed Goldman Sachs will be able to gather a great deal of new project information. The Company believed that it could expect the promotion of the growth of its real estate development business by being provided with information on the projects that Goldman Sachs will not undertake out of the project information gathered by Goldman Sachs.

Furthermore, in the Transaction, it is intended that the Company will become private with the capital participation of Goldman Sachs and that ENEOS will hold 50.10% and Goldman Sachs will hold 49.90% of the Company’s voting rights directly or indirectly. After the completion of the privatization (termination of parent-child listing) under such capital structure, the Company believed that it would be able to (i) continue to stably maintain and expand the Company’s Core Business under the umbrella of ENEOS that has been supporting the Company’s management as the parent company for many years and has a deep understanding of the Company’s management, and at the same time, (ii) make flexible, prompt and decisive strategic decisions as a private company for the expansion of overseas business, the growth of the real estate development business and other matters while being supported by Goldman Sachs and ENEOS (especially Goldman Sachs).

Also, as the Company was offered a method for the Transaction including the Treasury Share Acquisition, the Company considered this method as well. According to the Tender Offeror, the Treasury Share Acquisition Price will be 2,859 yen per share before the Share Consolidation. While the Tender Offer Price has been determined to be 4,000 yen to maximize the economic profits of minority shareholders other than ENEOS, the Treasury Share Acquisition Price has been set in such manner that, even after fully considering the tax benefits that ENEOS may theoretically enjoy by applying the provisions for exclusion of deemed dividends from taxable income under the Corporation Tax Act if ENEOS were to tender its shares in the Treasury Share

Acquisition, an amount that is set based on an amount that would make the proceeds after tax if ENEOS were to tender its shares in the Tender Offer equivalent to the proceeds after tax if ENEOS were to tender its shares in the Treasury Share Acquisition (for details, see (Note 4) in (I) Overview of the Tender Offer” under “(2) Basis and Reason for Opinions on the Tender Offer” above). The Company, in consideration of advice from its external tax advisors, has assessed the reasonableness of ENEOS’ explanation and determined that, even after considering the tax benefits that ENEOS may theoretically enjoy under the current tax system, the economic profits that ENEOS will obtain as the consideration for the Shares as a result of the Treasury Share Acquisition will not exceed the economic profits that the minority shareholders of the Company will obtain as the consideration for the Shares as a result of the Tender Offer. Based on the above, by adopting a scheme incorporating the Treasury Share Acquisition, a higher tender offer price can be offered to minority shareholders who tender in the Tender Offer compared to the case where ENEOS tenders the Shares in the Tender Offer. Therefore, we believed that the method for the Transaction incorporating the Treasury Share Acquisition would contribute to maximizing the profits for minority shareholders other than ENEOS.

The Company also determined from the following points, etc. that the Tender Offer Price of 4,000 yen per share is an appropriate price that ensures the benefit that should be received by the Company’s minority shareholders, and that the Tender Offer will provide the Company’s minority shareholders with a reasonable opportunity to sell the Company Shares at a price with an appropriate premium.

- (i) The price has been fully negotiated and agreed upon with the Related Parties of the Tender Offeror after fully taking measures to ensure the fairness of the conditions for the Transaction including the Tender Offer Price as stated in “(6) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, and with substantial involvement of the Special Committee.
- (ii) The price exceeds the range of the per-share values of the Shares computed based on the market stock price method and the comparable company analysis method and is also within the range of the per-share values of the Shares computed based on the DCF method in the light of the per-share values of the Shares provided by Mizuho Securities in the Share Valuation Report (Mizuho) as stated in “(I) Share Valuation Report Obtained by the Company from Independent Third-Party Valuation Organization” under “(3) Matters Concerning Valuation” below.
- (iii) The price exceeds the range of the per-share values of the Shares computed based on the market stock price method and the comparable company analysis method and is also within the range of the per-share values of the Shares computed based on the DCF method in the light of the per-share values of the Shares provided by Yamada Consulting in the Share Valuation Report (Yamada Consulting) as stated in “(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization” under “(3) Matters Concerning Valuation” below. As stated in “(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization” under “(3) Matters Concerning Valuation” below, Yamada Consulting has issued the Fairness Opinion (Yamada Consulting) stating that the Tender Offer Price of 4,000 yen per share is fair to the shareholders of the Company from a financial point of view.
- (iv) The price has a premium of 13.80% (rounded to two decimal places; hereinafter the same in calculating the premium rate) over the closing price of the Company Shares of 3,515 yen on the First Section of the Tokyo Stock Exchange as of September 6, 2021, the business day immediately preceding the date of announcement of the Tender Offer, a premium of 27.88% over the simple average closing price of 3,128 yen (rounded to the nearest yen; hereinafter the same in calculating the simple average closing price) for the one month prior to September 6, 2021, a premium of 28.12% over the simple average closing price of 3,122 yen for the three months prior to the same date, and a premium of 30.93% over the simple average closing price of 3,055 yen for the six months prior to the same date, and excluding the impact on the stock price after the date of speculative reports that ENEOS is considering to delist its listed subsidiaries including the Company by some news media (on June 11, 2011), the price has a premium of 32.89% over the closing price of the Shares of 3,010 yen on the First Section of the Tokyo Stock Exchange as of June 10, 2021, the business day immediately preceding the date of the speculative report, a premium of 36.94% over the simple average closing price of 2,921 yen for the one month prior to June 10, 2021, a premium of 34.05% over the simple average closing price of 2,984 yen for the three months prior to the same date, and a premium of 38.65% over the simple average closing price of 2,885 yen for the six months prior to the same date. The level of the premium with a record date of September 6, 2021, the business day immediately preceding the date of announcement of the Tender Offer, might not necessarily be sufficient compared to the level of premiums in similar cases in the past (tender offers by controlling shareholders for the purpose of taking listed subsidiaries private), but the market price of the Company Shares increased significantly from August 30, 2021 to September 6, 2021, and that increase diverged from both the overall stock market and the stock price averages of other companies in the same industry during that period (in addition, the Company did not disclose any material information immediately before or during that period). Further, the market price of the Company Shares appears to have been on an upward trend compared to the overall trend of the stock market and the trends of stock price averages of other companies in the same industry even after the speculative report on June 11, 2021. In light of the above, when comparing the levels of premiums in similar past cases, it is believed that the level of the premium where the record date is the trading day immediately preceding the date of the above speculative report should be especially taken into consideration, and the Tender Offer Price is considered to be comparable and appropriate in light of the level of premiums in those past cases.
- (v) As stated in “(I) Establishment of an Independent Special Committee by the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, the price is also deemed to be reasonable in the Findings Report obtained from the Special Committee.
- (vi) As stated in “Overview of the Tender Offer” under “(II) Background, Reasons and Decision-making Process Leading to Tender Offeror’s Decision to Conduct Tender Offer” under “(2) Basis and Reason for Opinions on the Tender Offer” under “3. Contents, Basis of and Reason for Opinions on the Tender Offer” above, the Tender Offeror intends to cause the Company to conduct the Treasury Share Acquisition and, as stated above, the Treasury Share Acquisition Price has been set in such manner that, even after fully considering the tax benefits that ENEOS may theoretically enjoy by applying the provisions for exclusion of deemed dividends from taxable income under the Corporation Tax Act if ENEOS were to tender its shares in the Treasury Share Acquisition, an amount that is set based on an amount that would make the proceeds after tax if ENEOS were to tender its shares in the Tender Offer equivalent to the proceeds after tax if ENEOS were to

tender its shares in the Treasury Share Acquisition.

Based on the foregoing, at the meeting of the Board of Directors of the Company held on September 7, 2021, the Company resolved, as its view on that date, to express the opinion in support of the Tender Offer and recommend its shareholders to tender their shares in the Tender Offer, in case where the Tender Offer is conducted.

The Company also resolved at the above-mentioned Board of Directors meeting, that (i) when the Tender Offer commences, the Company will ask the Special Committee established by the Company to consider whether there are any changes to the findings reported to the Board of Directors of the Company by the Special Committee on September 7, 2021, and to inform the Board of Directors of the Company to that effect if there are no changes or to report the revised findings if there are any changes, and that (ii) at the time the Tender Offer commences, the Board of Directors will express an opinion on the Tender Offer again by taking into account such findings.

After mid-September 2021, the Company made inquiries to the Tender Offeror from time to time regarding the status of the procedures for the Permissions and confirmed the progress of those procedures, and intermittently reviewed the situation in light of the subsequent market share price and inquiries from shareholders. The Special Committee also received information on that situation from September 7, 2021 and it considered whether there were any circumstances that should cause a change to the contents of the findings in the Findings Report, and it gave instructions to the Company regarding the policy on matters such as discussions and negotiations with the Related Parties of the Tender Offeror (for the progress of the discussions and negotiations between the Company and the Related Parties of the Tender Offeror and the status of the Special Committee's consideration of the Transaction during that period, please refer to "(I) Establishment of an Independent Special Committee by the Company" in "(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below).

Then, on November 11, 2021, the Company received a notice from the Tender Offeror that it had determined that it was possible to commence the Tender Offer because the Permissions had been obtained and the waiting period had expired and the necessary procedures and responses under the FEFTA were complete, and that the Tender Offer intended to commence the Tender Offer on November 12, 2021, and the Company shared that information with the Special Committee. In response, the Special Committee confirmed that there are no circumstances that should change the findings in the report dated September 7, 2021, even after taking into consideration the circumstances during the period from September 7, 2021 to November 11, 2021, and the Special Committee submitted an additional report to the Board of Directors on November 11, 2021 (the "Additional Report") stating that there is no change to the opinion in the Findings Report. Upon the submission of the Additional Report, the Special Committee expressed a supplementary opinion to the effect that when the Board of Directors of the Company resolves to recommend that the shareholders of the Company tender their shares in the Tender Offer and makes an announcement to that effect, the Company should appropriately alert the shareholders of the Company that the market price of the Company Shares was higher than the Tender Offer Price in the closing price on November 10, 2021, which was the last trading day as of the time of the submission of the Additional Report. With respect to the contents of the Additional Report and the other opinion of the Special Committee, see "(I) Establishment of an Independent Special Committee by the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

In addition to (i) through (vi) above, the Board of Directors of the Company also determined that the Tender Offer Price of 4,000 yen per share is an appropriate price that ensures the benefit that should be received by the Company's minority shareholders, and that the Tender Offer will provide the Company's minority shareholders with a reasonable opportunity to sell the Company Shares at a price with an appropriate premium in light of the fact that, among other factors, (vii) more than two months have already passed since September 7, 2021, the date of the announcement of the Tender Offer, and there has not been any takeover bid that can be countered in terms of the tender offer price and other transaction terms and the feasibility of the transaction compared to the proposal of the Transaction by the Related Parties of the Tender Offeror, (viii) the market price of the Company Shares after the announcement of the Transaction has been formed under the influence of various speculations on the Transaction such as the expectation for a counterproposal, which has not actually be made at the present, in anticipation of the existence of the Transaction, and (ix) the Tender Offer provides all of the minority shareholders with an opportunity to sell their shares outside the market at the same price regardless of the share price or trading volume on the market.

In light of those factors, after exhaustively discussing and carefully reviewing the terms and conditions of the Tender Offer again, while respecting the contents of the Additional Report to the maximum extent possible, on November 11, 2021, the Board of Directors of the Company again resolved to express an opinion in support of the Tender Offer and to recommend its shareholders to tender their shares in the Tender Offer. Further, at the above meeting of the Board of Directors of the Company, it was also resolved to issue a reminder to the minority shareholders of the Company in this Press Release that sales of the Company Shares on the market will not be restricted by the commencement of the Tender Offer or the opinion of the Board of Directors of the Company recommending that the Company Shares be tendered.

For more details on both of the above resolutions adopted by the Board of Directors, please see "(VI) Approval of All Directors Disinterested in the Company and Opinion of No Objection of Auditors Disinterested in the Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

(3) Matters Concerning Valuation

(I) Share Valuation Report Obtained by the Company from Independent Third-Party Valuation Organization

- (i) Name of Valuation Organization and Relationship with the Company and the Related Parties of the Tender Offeror

In making consideration, negotiation and determination of the appropriateness of the terms and conditions of the Transaction including the Tender Offer, the Company asked Mizuho Securities, a financial advisor and third-party valuation organization, which is independent from the Company and the Related Parties of the Tender Offeror to compute the value of the Shares and to conduct financial analyses pertaining thereto, in order to ensure the fairness of such terms and conditions, and obtained the Share Valuation Report (Mizuho Securities) as of September 6, 2021.

Mizuho Securities is not a related party of the Company or a Related Party to the Tender Offeror. Please note that Mizuho

Bank, a group company of Mizuho Securities, is scheduled to extend loans for purchase fund to the Tender Offeror. According to Mizuho Securities, it has established and taken proper measures including information barrier between Mizuho Securities and Mizuho Bank in accordance with applicable laws and regulations including Article 36, Paragraph 2 of the Financial Instruments and Exchange Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc., and computes the share value of the Company in a position independent from the lender of Mizuho Bank. The Special Committee has judged that there is no special problems in asking Mizuho Securities to compute the value of the Shares because sufficient independence of Mizuho Securities for conducting its duties as a financial advisor and third-party valuation organization is ensured in light of its performance as a valuation organization as well as the fact that appropriate preventative measures against adverse effects have been taken between Mizuho Securities and Mizuho Bank. Based on such judgment, the Company has determined to continue appointing Mizuho Security as the Company's financial advisor and third-party valuation organization even after it is determined that Mizuho Bank will extend loans for purchase fund to the Tender Offeror. The remuneration payable to Mizuho Securities for the Transactions does not include any incentive fee to be paid conditional upon the closing, etc. of the Transactions, including the Tender Offer. Please note that the Company has not obtained an opinion as to the fairness of the Tender Offer Price (fairness opinion) from Mizuho Securities.

(ii) Outline of Computation of the Shares

After reviewing the calculation method to be adopted from among the multiple share value calculation methods, based on the determination that it is appropriate to evaluate the value of the Shares from multiple dimensions, and considering the Company's financial conditions and the trend of the market price of the shares, Mizuho Securities computed the value of the Shares by adopting each of the market stock price method because the Shares are listed on the First Section of the Tokyo Stock Exchange and Sapporo Securities Exchange and market stock prices are available, the comparable company analysis method because there are several listed companies that engage in the business which is relatively similar to the Company's business and it is possible to infer the value of shares through comparison with comparable companies, and the DCF method to reflect the Company's future business activities in the computation. The range of the per-share value of the Shares computed based on each of said methods is as follows:

Market price standard method: 3,055 yen to 3,515 yen

Comparable company method: 2,219 yen to 2,856 yen

DCF method: 3,402 yen to 4,466 yen

With the average market price analysis, and with September 6, 2021, which is the business day immediately preceding the date of announcement of the Tender Offer, as the record date, based on the closing price of the Company Shares on the First Section of the Tokyo Stock Exchange (3,515 yen), the simple average closing price for the most recent month until that date (from August 10, 2021 to September 6, 2021) (3,128 yen), the simple average closing price for the most recent three months until that date (from June 7, 2021 to September 6, 2021) (3,122 yen), and the simple average closing price for the most recent six months until that date (from March 8, 2021 to September 6, 2021) (3,055 yen), the range of the per-share value of the Company Shares was calculated to be from 3,055 yen to 3,515 yen.

Under the comparable company method, the Company selected Nippon Road Co., Ltd., Seikitokyu Kogyo Co., Ltd., and Toa Road Corporation as listed companies engaged in relatively similar businesses to the Company, and then calculated the share value of the Company Shares using the multiple of net income to share value and the multiple of net assets to share value to be in a range of share value per share of the Company Shares from 2,219 yen to 2,856 yen.

Under the DCF method, the Company's corporate value and share value are calculated by discounting the future free cash flow by a certain discount rate to its present value, based on various factors such as the financial forecasts and investment plans in the business plan prepared by the Company for the three fiscal years from the fiscal year ending March 2022 to the fiscal year ending March 2024 (the "Business Plan") and publicly available information. The range of share value per share of the Company's stock is calculated to be between 3,402 yen and 4,466 yen. The discount rate used is 5.61% to 6.61%. In calculating the going concern value, the perpetual growth rate method is used, and the perpetual growth rate is set at -0.50% to 0.50%.

The specific figures of the Company's financial forecast (consolidated), which Mizuho Securities used as a premise for the calculation in the DCF method, are as follows. The financial forecast does not include fiscal years in which a significant increase or decrease in profit is expected compared to the previous fiscal year. With regard to the said financial forecast, the Company and the special committee have held a question and answer session and the special committee has confirmed the reasonableness of the contents and assumptions. Such financial projections do not assume the execution of the Transaction.

(Unit: million yen)

	Fiscal year ending March 31, 2022 (9 months)	Fiscal year ending March 31, 2023	Fiscal year ending March 31, 2024
Net sales	376,042	470,000	480,000
Operating income	37,848	43,500	45,000
EBITDA	44,658	54,526	56,023
Free cash flow	-35,891	22,725	19,491

(Note 8) The above free cash flow as defined by Mizuho Securities is adjusted as follows with respect to the free cash flow shown in the New Three-Year Management Plan (21 Three-Year Plan: FY 2021–2023) (the "Medium-Term Management Plan") published by the Company on May 11, 2021 with respect to the Business Plan in accordance with general share valuation practices. (i) The free cash flow as defined by Mizuho Securities differs from the free cash flow shown in the Medium-Term Management Plan in that it does not include cash and deposits that the Company has secured as internal reserves. (ii) The free cash flow shown in the Medium-Term Management Plan uses net income as a profit item, but the free cash flow defined by Mizuho Securities uses as a profit item after-tax operating income adjusted for income and expenses that occur regularly in operating income (regular non-operating income and expenses, etc.) and adjusted by deducting tax. (iii) The free cash flow shown in the Medium-Term Management Plan excludes from the free cash flow only 26 billion yen related to payment changes in accordance with the Ministry of Land, Infrastructure, Transport and Tourism's December 2016 notice "Appropriate Subcontracts

and Payment of Subcontract Proceeds,” but the free cash flow defined by Mizuho Securities also takes into account other items that might affect the Company’s operating capital in future periods.

Further, the figures in the free cash flow for the period ending March 2022 (nine months) are negative, but that is because, due to the nature of the business, the Company’s free cash flow tends to be significantly positive in the first quarter of each year and negative in the remaining three quarters, so those figures tend to be low compared to cases where the first quarter is included. Mizuho Securities calculated the value of the Company Shares by taking into account the actual free cash flow in the first quarter of the fiscal year ending March 2022.

(Note 9) To avoid the impact of temporary factors during the planning period in the calculation of the going concern value after the above-mentioned planning period, Mizuho Securities adjusted the free cash flow by adopting (i) the steady-state amount of capital investment excluding temporary capital expenditures for capital investments in the final fiscal year of the planning period and (ii) the same amount as the steady-state amount of capital investment (i.e., the same amount as (i)) for depreciation and amortization based on the assumption that the Company will continue to exist permanently in the future.

(Note 10) In the calculation by Mizuho Securities, with respect to assets such as real estate that is leased, etc. (excluding some unused real estate) and cross-held shares that are held by the Company or its subsidiaries, the value of those assets, each of which are business assets, is reflected in the valuation of the Company Shares in light of the cash flow that is expected to arise from the utilization of those assets.

In calculating the share value of the Company Shares, Mizuho Securities has, in principle, used the information provided by the Company and publicly available information as is, assumed that all such information is accurate and complete, and has not independently verified the accuracy and completeness of such information. In addition, with respect to the financial forecasts and other future information (including forecasts of future revenues and expenses, forecasts of cost savings, and business plans) of the Company and its affiliates, Mizuho Securities has assumed that such information has been reasonably prepared or created by the management of the Company based on the best and most sincere forecasts and judgments available as of September 7, 2021, and has not independently verified the feasibility of such information. With respect to the assets and liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities) and allowances of the Company and its affiliates, Mizuho Securities has not conducted any independent evaluation, appraisal, or assessment, including analysis and valuation of individual assets and liabilities, nor has it requested any third-party institution to conduct such evaluation, appraisal, or assessment. Mizuho Securities’ calculations reflect the information and economic conditions available to Mizuho Securities as of September 6, 2021. The sole purpose of the calculation by Mizuho Securities is to contribute to the reference for the Board of Directors of the Company to consider the Tender Offer Price.

(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-party Appraiser

(i) Name of Valuation Organization and Relationship with the Company and the Related Parties of the Tender Offeror

In considering the Consulted Matters, in order to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, the Special Committee requested that Yamada Consulting, an independent financial advisor and third-party appraiser independent of the Company and the Tender Offeror, calculate the value of the Company Shares and conduct accompanying financial analysis, and express an opinion on the fairness of the Tender Offer Price from a financial perspective (fairness opinion), and obtained the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting) as of September 6, 2021.

As stated in “(iv) Decision-making Process and Reasons for the Company’s Approval of the Tender Offer” of “(2) Basis and Reasons for the Opinion Concerning the Tender Offer” above, when the Board of Directors received the Report from the Special Committee on September 6, 2021, it also received the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting). Taking also into consideration the contents of those reports, the Board of Directors passed a resolution as described in “(6) Approval of all disinterested directors and the opinion of all disinterested corporate auditors of the Company that they have no objection” in “(6) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below.

Yamada Consulting does not fall under the category of a related party of the Company or Related Parties to the Tender Offeror, and does not have any material interest in the Transactions including the Tender Offer. As described in “(i) Establishment of an Independent Special Committee in the Company” in “(6) Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest,” below, the Special Committee decided to appoint Yamada Consulting as its independent financial advisor and third-party appraiser after considering the independence and expertise and performance of several candidates for financial advisor and third-party appraiser. Yamada Consulting’s remuneration for this transaction is only the fixed remuneration to be paid regardless of the success or failure of the transaction, and does not include the success remuneration to be paid on the condition that the transaction, including the Tender Offer, is completed.

(ii) Outline of Computation of the Shares

In the Tender Offer, after considering the calculation method to be adopted for the calculation of the share value of the Company Shares from among multiple calculation methods, based on the determination that it is appropriate to evaluate the value of the Shares from multiple dimensions, and under the premise that the Company is a going concern, Yamada Consulting decided to use the market price method because the Company Shares are listed on the First Section of the Tokyo Stock Exchange and the Sapporo Securities Exchange, and the market price of the Company Shares exists. Yamada Consultants also used the comparable company method because there are several similar listed companies that can be compared with the Company and it is possible to infer the share value by comparing similar companies, as well as the DCF method to reflect the future business activities of the Company.

The share value per share of the Company’s stock calculated based on the above methods in this share valuation report (Yamada Consulting) is as follows.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Market price method: 3,055 yen to 3,515 yen
 Comparable company method: 1,969 yen to 2,402 yen
 DCF method: 3,319 yen to 4,685 yen

Under the market price method, the range of per-share value of the Company Shares was calculated to be 3,055 yen to 3,515 yen based on the closing price of the Company Shares on the First Section of the Tokyo Stock Exchange on the record date of September 6, 2021 (3,515 yen), the simple average of the closing price for the most recent one month (3,128 yen), the simple average of the closing price for the most recent three months (3,122 yen), and the simple average of the closing price for the most recent six months (3,055 yen). Under the comparable company method, Nippon Road Co., Ltd., Toa Road Corporation, and Seikitokyu Kogyo Co., Ltd. were selected as listed companies engaged in businesses similar to those of the Company, and the range of per-share value of the Company Shares was calculated to be between 1,969 yen and 2,402 yen, based on comparisons with market share prices and financial indicators of profitability. The DCF method calculates the corporate value and share value of the Company by discounting the present value of the Company's free cash flow at a certain discount rate based on the free cash flow that the Company is expected to generate from the second quarter of the fiscal year ending March 2022 onwards, assuming various factors such as the earnings forecast and investment plan based on the Business Plan and publicly available information. The range of the per-share value of the Company Shares is calculated to be between 3,319 yen and 4,685 yen. The discount rate used was 5.40% to 6.40%. In calculating the going value, the perpetual growth rate method was used, and the per share value of the Company's stock was calculated using the growth rate of -0.50% to 0.50%.

The financial forecasts assumed by Yamada Consulting in its DCF analysis are as follows, and there are no fiscal years in which a significant increase or decrease in profit is expected. In addition, the synergy effects expected to be realized through the execution of the Transaction have not been factored into the following financial forecasts, as it is difficult to make specific estimates as of September 7, 2021. This financial forecast is based on the Business Plan, and Yamada Consulting has analyzed and reviewed its contents through multiple question-and-answer sessions with the Company, and as described in "(6) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below, the Special Committee has confirmed the reasonableness of the contents and the process of its preparation. "(6) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below, the special committee has confirmed the reasonableness of the contents and the process of preparation of the Tender Offer.

(Unit: million yen)

	Fiscal year ending March 31, 2022 (9 months)	Fiscal year ending March 31, 2023	Fiscal year ending March 31, 2024
Net sales	376,042	470,000	480,000
Operating income	37,848	43,500	45,000
EBITDA	45,495	54,589	55,924
Free cash flow	-49,730	27,356	19,100

(Note 11) The above free cash flow as defined by Yamada Consulting is adjusted as follows with respect to the free cash flow shown in the Medium-Term Management Plan in accordance with general share valuation practices. (i) The free cash flow as defined by Yamada Consulting differs from the free cash flow shown in the Medium-Term Management Plan in that it does not include cash and deposits that the Company has secured as internal reserves. (ii) The free cash flow shown in the Medium-Term Management Plan uses net income as a profit item, but the free cash flow defined by Yamada Consulting uses as a profit item after-tax operating income adjusted for income and expenses that occur regularly in operating income (regular non-operating income and expenses, etc.) and adjusted by deducting tax. (iii) The free cash flow shown in the Medium-Term Management Plan excludes from the free cash flow only 26 billion yen related to payment changes in accordance with the Ministry of Land, Infrastructure, Transport and Tourism's December 2016 notice "Appropriate Subcontracts and Payment of Subcontract Proceeds," but the free cash flow defined by Yamada Consulting also takes into account other items that might affect the Company's operating capital in future periods.

Further, the figures in the free cash flow for the period ending March 2022 (nine months) are negative, but that is because, due to the nature of the business, the Company's free cash flow tends to be significantly positive in the first quarter of each year and negative in the remaining three quarters, so those figures tend to be low compared to cases where the first quarter is included. Yamada Consulting calculated the value of the Company Shares by taking into account the actual free cash flow in the first quarter of the fiscal year ending March 2022.

(Note 12) To avoid the impact of temporary factors during the planning period in the calculation of the going concern value after the above-mentioned planning period, Yamada Consulting adjusted the free cash flow by adopting (i) the steady-state amount of capital investment excluding temporary capital expenditures for capital investments in the final fiscal year of the planning period and (ii) the same amount as the steady-state amount of capital investment (i.e., the same amount as (i)) for depreciation and amortization based on the assumption that the Company will continue to exist permanently in the future.

(Note 13) In the calculation by Yamada Consulting, with respect to assets such as real estate that is leased, etc. (excluding some unused real estate) and cross-held shares that are held by the Company or its subsidiaries, the value of those assets, each of which are business assets, is reflected in the valuation of the Company Shares in light of the cash flow that is expected to arise from the utilization of those assets.

(iii) Summary of this Fairness Opinion (Yamada Consulting)

As of September 6, 2021, the Special Committee received a Fairness Opinion from Yamada Consulting to the effect that the Tender Offer Price of 4,000 yen per share is fair from a financial point of view to the shareholders of the Company (excluding the Tender Offeror and ENEOS). The Tender Offer Price of 4,000 yen per share is fair to the shareholders of the Company (excluding the Tender Offeror and ENEOS) from a financial point of view (Note 14). The Fairness Opinion expresses the opinion that the Tender Offer Price of 4,000 yen per share is fair to the shareholders of the Company from a financial point of view, in

light of the results of the valuation of the Company Shares based on the Business Plan and other factors. In addition to the results of the calculation of the value of the Company Shares, which was conducted by Yamada Consulting based on the Company's disclosure of the current status of the Group's business, business prospects, and other information, as well as explanations of such information, the Fairness Opinion was issued after a question-and-answer session with the Special Committee, a review of the Group's business environment, economic, market, and financial conditions, and other matters to the extent deemed necessary by Yamada Consulting, as well as verification of the Fairness Opinion by a team independent of the engagement team at Yamada Consulting.

(Note 14) In preparing and submitting this Fairness Opinion and calculating the share value on which it is based, Yamada Consulting has relied on information that is already publicly available or that has been provided and obtained by the Company on the assumption that it is accurate and complete and that there are no facts undisclosed to Yamada Consulting that could have a material impact on the analysis and calculation of the share value of the Company Shares.

Yamada Consulting has not conducted any independent evaluation or appraisal of the assets and liabilities of the Company (including off-balance-sheet assets and liabilities and other contingent liabilities), including analysis and valuation of individual assets and liabilities, nor has it evaluated the Company's creditworthiness under applicable laws and regulations regarding bankruptcy, suspension of payments or similar matters. In addition, we have not received any valuation or appraisal reports regarding these items.

The Business Plan and other materials used by Yamada Consulting as the basis for this Fairness Opinion are assumed to have been reasonably prepared by the Company's management based on their best estimates and judgment as of the date of preparation. Yamada Consulting does not guarantee the feasibility of these forecasts and does not express any view on the analyses or forecasts that formed the basis of these forecasts or the assumptions on which they were based.

The Fairness Opinion is based on the financial and capital markets, economic conditions and other circumstances as of the date of its preparation, and on information available to Yamada Consulting by the date of its preparation, and is an opinion as of the date of its preparation as to whether or not the Tender Offer Price is fair to the shareholders of the Company (excluding the Tender Offeror and ENEOS) from a financial point of view. The content of this Fairness Opinion may be affected by subsequent changes in circumstances, but Yamada Consulting is under no obligation to revise, change or supplement the content of this Fairness Opinion even in such cases. This Fairness Opinion does not infer or imply any opinion with respect to any matter other than as expressly set forth herein or with respect to any matter subsequent to the date of filing of this Fairness Opinion.

This Fairness Opinion only expresses the opinion that the Tender Offer Price is fair and not disadvantageous from a financial point of view to the shareholders of the Company (excluding the Tender Offeror and ENEOS). This Fairness Opinion does not express any opinion or make any recommendation as to whether or not the Tender Offer should be implemented, or as to whether or not to accept the Tender Offer or take any other action in relation to the Tender Offer, and does not express any opinion to the holders of the securities issued by the Company, creditors or other related parties. The Tender Offeror does not express any opinion to the holders of securities issued by the Company, creditors or other related parties.

(4) Likelihood of delisting and reasons thereof

As of today, the Company Shares are listed on the First Section of the Tokyo Stock Exchange and the Sapporo Securities Exchange. However, since the Tender Offeror has not set the maximum number of shares to be purchased through the Tender Offer, depending on the result of the Tender Offer, the Company Shares may be delisted pursuant to the delisting standards set forth by the Tokyo Stock Exchange and the Sapporo Securities Exchange. Therefore, depending on the result of the Tender Offer, the shares of the Company may be delisted through the prescribed procedures in accordance with the delisting standards established by the Tokyo Stock Exchange and the Sapporo Securities Exchange. In addition, even if the relevant standards do not apply at the time of the completion of the Tender Offer, if, after the completion of the Tender Offer, the Company goes private with only the Tender Offeror and ENEOS as its shareholders in accordance with the procedures described in "(5) Policy on matters including organizational restructuring after the Tender Offer (matters concerning so-called two-step acquisitions)" below, the Company Shares will fall under the delisting standards of the Tokyo Stock Exchange and the Sapporo Securities Exchange. In this case, the shares of the Company will fall under the delisting standards of the Tokyo Stock Exchange and the Sapporo Securities Exchange and will be delisted through the prescribed procedures. After the delisting, the Company Shares will not be able to be traded on the Tokyo Stock Exchange and the Sapporo Securities Exchange.

(5) Policy on matters including organizational restructuring after the Tender Offer (matters concerning the so-called two-step acquisition)

As described in "(1) Outline of the Tender Offer" in "(2) Basis and reasons for the opinion on the Tender Offer" above, the Tender Offeror intends to acquire all of the Company Shares (excluding treasury shares owned by the Company and the Non-tendered Shares owned by ENEOS) through the Tender Offer. As described in "(1) Outline of the Tender Offer" above, in the event that the Tender Offeror is unable to acquire all of the Company Shares (excluding, however, the treasury shares owned by the Company and the Non-tendered Shares owned by ENEOS) in the Tender Offer, the Company plans to implement a series of procedures to make the Tender Offeror and ENEOS the only shareholders of the Company by implementing the following procedures after the completion of the Tender Offer.

Specifically, after the completion of the Tender Offer, the Tender Offeror plans to request the Company to promptly hold an Extraordinary Shareholders' Meeting (the "Extraordinary Shareholders' Meeting"), including an agenda item to amend the articles of incorporation to abolish the number of shares constituting one unit of stock, subject to the Tender Offeror's request (the Company plans to immediately hold the Extraordinary Shareholders' Meeting upon receipt of such request from the Tender Offeror). The Tender Offeror and ENEOS plan to vote in favor of the proposal at the Extraordinary Shareholders' Meeting.

If the proposal for the Consolidation of Shares is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will own the number of shares of the Company in proportion to the ratio of the Consolidation of Shares approved at

the Extraordinary Shareholders' Meeting on the date when the Consolidation of Shares takes effect. If the consolidation of shares results in a fraction of less than one (1) share, the cash obtained by selling to the Tender Offeror the shares of the Company equivalent to the total number of such fractions (provided, however, that if the total number includes a fraction of less than one (1) share, such fraction shall be truncated, the same shall apply hereinafter) shall be paid to the shareholders of the Company holding such fractional shares in accordance with the procedures prescribed in Article 235 of the Companies Act and other applicable laws and regulations. The Tender Offeror plans to request the Company to file a petition for permission of voluntary sale with the court after calculating that the amount of money to be delivered to the shareholders of the Company (excluding the Tender Offeror, ENEOS and the Company) who did not tender their shares in the Tender Offer as a result of such sale will be the same as the Tender Offer Price multiplied by the number of shares of the Company held by each such shareholder. The ratio of the consolidation of shares has not yet been determined as of today. However, it will be determined so that the number of shares of the Company held by the shareholders of the Company who have not tendered their shares in the Tender Offer (excluding the Tender Offeror, ENEOS and the Company) will be a fraction of less than one share, so that only the Tender Offeror and ENEOS will own all of the Company Shares (excluding, however, the treasury shares owned by the Company).

In addition, as a provision of the Companies Act for the purpose of protecting the rights of minority shareholders in relation to the consolidation of shares, if the consolidation of shares is conducted and the consolidation of shares results in a fraction of less than one share, the shareholders of the Company may, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations, demand that the Company purchase all of the fraction of less than one share held by them at a fair price, and may petition the court to determine the price of the Company Shares. As stated above, in the Share Consolidation, the number of shares of the Company held by the shareholders of the Company (excluding the Tender Offeror, ENEOS and the Company) who did not tender their shares in the Tender Offer is expected to be less than one share, and the shareholders of the Company who oppose the consolidation of shares are expected to be able to file a petition for a price fixing. In addition, the purchase price in the event that the above petition is filed will ultimately be determined by the court.

Each of the above procedures may take more time to implement or may be changed to other methods that are generally as effective, depending on factors such as amendments to relevant laws and regulations, the interpretation of the relevant laws and regulations by authorities, the shareholding ratio of the Tender Offeror and ENEOS after the Tender Offer, and the shareholding status of the Company's shareholders other than the Tender Offeror (if there is a shareholder that owns a greater number of the Company Shares than the number of the Company Shares owned by the Tender Offeror, it is expected the Tender Offeror will deal with the situation by aiming to achieve the post-Transaction capital relationship described in "IV. Post-Transaction" in "(I) Overview of the Tender Offer" under "(2) Basis and Reason for Opinions on the Tender Offer"). However, even in that case, the method of finally delivering cash to each shareholder of the Company (excluding the Tender Offeror, ENEOS and the Company) who did not tender their shares in the Tender Offer will be adopted. In that case, the amount of money to be delivered to each shareholder will be calculated to be the same as the Tender Offer Price multiplied by the number of the Company shares held by each shareholder. In the event that the Extraordinary Shareholders' Meeting is to be held, it is expected that the Company will promptly announce the specific procedures to be taken and the timing thereof as soon as they are determined. It is expected that the Extraordinary Shareholders' Meeting will be held in around February 2022.

The Tender Offer is not intended to solicit the approval of the Company's shareholders at the Extraordinary Shareholders' Meeting. In addition, the shareholders of the Company are requested to confirm the tax treatment of the application for the Tender Offer and each of the above procedures with tax accountants and other experts at their own responsibility.

(6) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest

The Company has taken the following measures to address these issues and to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, in light of the fact that the Tender Offer is to be executed by the Tender Offeror, which is expected to become a subsidiary of ENEOS after the commencement date of settlement of the Tender Offer based on the Transaction Agreement to which ENEOS, the controlling shareholder (parent company) of the Company, is a party, and the Transaction, including the Expression of Opinion regarding the Tender Offer, constitutes a material transaction, etc. with the controlling shareholder, and that the Transaction may have structural conflicts of interest and information asymmetry issues, the following measures have been taken to address these problems and ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price.

Since the Related Parties to the Tender Offeror own a total of 67,890,336 shares of the Company Shares (shareholding ratio: 57.01%) as of today, the Company believes that setting a lower limit of the so-called "Majority of Minority" in the Tender Offer would make the completion of the Tender Offer unstable and may not serve the interests of the minority shareholders who wish to tender their shares in the Tender Offer. However, the Tender Offeror believes that the interests of the Company's minority shareholders have been sufficiently taken into consideration because the Related Parties to the Tender Offeror and the Company have taken the measures described in (i) through (viii) below. In the following descriptions, the measures taken by the Target are based on the explanation received from the Target.

(I) Establishment of an Independent Special Committee in the Target

(i) Background of establishment, etc.

As described in "(iv) Decision-making Process and Reasons for the Company to Approve the Tender Offer" in "(2) Basis and Reasons for the Opinion on the Tender Offer" above, the Company established the Special Committee by a resolution at a meeting of the Board of Directors of the Company held on July 5, 2021. Prior to the establishment of the Special Committee, the Company also confirmed the independence and eligibility, etc. of the Company's independent outside directors and independent outside corporate auditors who are candidates for the members of the Special Committee. In addition, after confirming that they are independent of the Company and the Related Parties to the Tender Offeror, and that it does not have any material interest different from that of the minority shareholders in the success or failure of the Transaction, the following persons were appointed as independent outside directors of the Company: Tsutomu Kimura (Independent Outside Director of the Company, Advisor to the National Institution for Academic Degrees and University Reform), Muneaki Ueda (Independent Outside Director of the Company, Chairman of Professional Bank, Inc., Takashi Kashihara (Independent Outside Director of the Company, Special Advisor to Uchida Yoko Co., Ltd.) as candidates for of the Special Committee. The members of the Special Committee have

not changed since the establishment of the Special Committee. In parallel, since late June 2021, in order to establish a system to examine, negotiate and make decisions regarding the Transaction from the standpoint of enhancing the corporate value of the Company and securing the interests of the Company's minority shareholders from a standpoint independent of the Related Parties to the Tender Offeror, the Company, with the advice of Mori Hamada & Matsumoto, has been requesting Mr. Tsutomu Kimura, Mr. Muneaki Ueda and Mr. Takashi Kashihara to explain that they were initially approached by ENEOS and Goldman Sachs regarding the Transaction, and that the Transaction would be free from structural conflicts of interest and information. In order to establish a system to examine, negotiate, and make decisions regarding the Transaction from the perspective of securing the interests of ENEOS and Goldman Sachs, the Company, with the advice of Mori Hamada & Matsumoto, requested that Mr. Tsutomu Kimura, Mr. Muneaki Ueda, and Mr. Takashi Kashihara receive an initial proposal from ENEOS and Goldman Sachs regarding the Transaction, and that, since the Transaction falls under the category of transactions with structural conflicts of interest and information asymmetry issues, the Company, when examining and negotiating the Transaction, should establish a special committee. As the Transaction falls under the category of transactions with structural conflicts of interest and information asymmetry issues, it is necessary to take sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including the establishment of a special committee, when considering and negotiating the Transaction.

Then, As described in "2. Process and Reasons for the Decision to Approve the Transaction" above, ENEOS and Goldman Sachs established the Special Committee by resolution at the extraordinary meeting of the Board of Directors held on July 5, 2021, which was promptly after the receipt of the Proposal for the Transaction from ENEOS and Goldman Sachs on June 28, 2021, and consulted the Special Committee on the Consulted Matters. Furthermore, the Board of Directors resolved to make decisions on the Transaction with the utmost respect to the judgments of the Special Committee, and not to decide to implement the Transaction if the Special Committee determines that the purpose, terms and conditions or procedures of the Transaction, including the Tender Offer, are inappropriate. In addition, the Board of Directors of the Company has been resolved that the Special Committee shall be empowered to: (i) substantially participate in the process of negotiations with the Tender Offeror (including receiving reports on the status of such negotiations and, if necessary, giving instructions or making requests with respect to the policy of negotiations with the Tender Offeror, and negotiating with the Tender Offeror on its own); (ii) appoint or approve (including after-the-fact approval) the Company's financial or legal advisors in considering the Consulted Matters, and appoint the Special Committee's own financial or legal advisors as necessary (in this case, the Company shall bear the costs); (iii) receive information necessary to consider and make decisions regarding the Transaction from the officers and employees of the Company, and (iv) request persons deemed necessary by the Special Committee to attend the Special Committee meetings and seek explanations regarding necessary information.

In the above-mentioned meeting of the Board of Directors of the Company, Mr. Satoshi Arishige, one of the directors of the Company, and Mr. Toru Tsuiki, one of the corporate auditors of the Company, have held positions as employees and directors of ENEOS and its subsidiaries in the past. Therefore, from the perspective of eliminating the possibility that the deliberations and resolutions at the meeting of the Board of Directors of the Company may be affected by structural conflicts of interest and information asymmetries in the Transaction, both of them did not participate in the deliberations and resolutions of the related proposals.

As compensation for their duties, each member of the special committee shall be paid a fixed amount of compensation per month, regardless of the content of the report.

(ii) Background to Considerations and Content of Decision Until Submission of the Findings Report

The Special Committee met a total of 13 times between July 13, 2021 and September 6, 2021, and also carried out its duties related to the Consulted Matters by reporting and sharing information, deliberating and making decisions, etc. via e-mail frequently during each meeting.

Specifically, as described in "Background of Establishment of System for Consideration" under "(IV) Decision-making Process and Reasons Leading to Company Supporting Tender Offer" under "(2) Basis and Reason for Opinions on the Tender Offer" above, the Company received an initial explanation of the possibility of the Transaction from ENEOS and Goldman Sachs on April 16, 2021, and then the Company received the Initial Proposal from ENEOS and Goldman Sachs on June 28, 2021. Accordingly, the Company considered the policy of appointing Mizuho Securities as the Company's financial advisor and Mori Hamada & Matsumoto as the Company's legal advisor, and appointed these advisors at the meeting of the Board of Directors of the Company held on July 5, 2021, subject to the approval of the Special Committee, etc.

Subsequently, the Special Committee approved the appointments of the Company's financial advisor, Mizuho Securities, and the Company's legal advisor, Mori Hamada & Matsumoto, after confirming their respective degrees of independence, expertise, and achievements. As described in "(I) Share Valuation Report Obtained by the Company from Independent Third-Party Valuation Organization" under "(3) Matters Concerning Valuation" above, Mizuho Bank, a group company of Mizuho Securities, plans to provide financing for the Tender Offeror relating to the purchase fund, etc. However, the Special Committee approved the appointment of Mizuho Securities, as the third-party appraiser of the Company in view of its independence, expertise, etc.

In addition, the Special Committee appointed Yamada Consulting as the Special Committee's own financial advisor and third-party valuation organization with independence from Related Parties of the Tender Offeror, the Company and from the Transactions, after considering the independence, expertise, past results, etc. of several candidates for financial advisors and third-party valuation organizations.

Furthermore, the Special Committee approved the consideration system for the Transaction after confirming that there is no problem from the viewpoint of independence (including the scope of the Company's officers and employees who are involved in the review, negotiation and decision making with respect to the Transaction and their duties.) established internally by the Company.

Thereafter, the Special Committee has been considering the measures to be taken to ensure the fairness of the procedures in the Transactions, and the method and process of decision making of our Company pertaining to the Transaction based on the advice obtained from Mori Hamada & Matsumoto.

Also, the Special Committee received from the Company an explanation of the background of the preparation and assumptions of the Business Plan as it is the premise for the negotiation of the purchase price in the Tender Offer, and heard opinions from Yamada Consulting and Mizuho Securities. In addition, the Special Committee has confirmed that the preparation of the Business Plan had started in the fiscal year ended March 31, 2021, and that the Business Plan was formulated based on various back data

collected prior to April 16 of that year, when the Company became aware of the possibility of the Transaction. Based on the above, the Special Committee confirmed that the Business Plan is reasonable as a business plan for use in the calculation of the share value in verifying the appropriateness of the Tender Offer Price, upon taking into consideration the contents thereof, the material assumptions and the background of preparation, etc., including the fact that it has been found that it cannot be said that the Business Plan was formulated in anticipation of the existence of the Transaction, and approved that it shall be a premise for the negotiation of the Tender Offer Price.

The Special Committee has sent written questions to Goldman Sachs and ENEOS regarding the background and reasons for the proposal of the Transaction, the Company's business management policy after the Transaction, whether the execution of the Transaction will enhance the corporate value of the Company or have an adverse effect on the business of the Company, the content of the Shareholders Agreement, GSSPC's and ENEOS' policies regarding the holding and disposition of the Company Shares after the Transaction, and the procedures and terms of the Transaction. The Special Committee has directly received explanations from Goldman Sachs and ENEOS regarding these matters and has conducted a question-and-answer session at the Special Committee.

Moreover, the Special Committee requested the Company's Representative Director and President Yoshikazu Yoshikawa and Representative Director and Senior Managing Executive Officer Yuji Hashimoto to attend the Special Committee, and sent written questions to them regarding the background of the consideration of the Transaction and the purpose of the Transaction, the Company's policy on business operations after the Transaction, the Company's management challenges, whether the execution of the Transaction will enhance the corporate value of the Company or have an adverse effect on the business of the Company, the Company's management policy after the Transaction and other matters, and held a question-and-answer session along with a hearing on the Company management's views on these matters and related information.

Further, the Special Committee has confirmed the rationality of the content of the Business Plan, the material assumptions and the process of preparation, etc., based on the financial advice received from Yamada Consulting and Mizuho Securities. Furthermore, as described in "(I) Share Valuation Report Obtained by the Company from Independent Third-Party Valuation Organization" and "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(3) Matters Concerning Valuation" above, Yamada Consulting and the Mizuho Securities perform valuation of Shares based on Business Plan. The Special Committee received explanations from Yamada Consulting and Mizuho Securities with respect to the valuation of the Company Shares performed by each of them, the reason for the adoption of such valuation, the content of the valuation by each valuation method, and material assumptions (including planned value that will be the basis for the share valuation including the free cash flow that is the basis for the going concern value calculation, the basis for calculating the discount rate under the DCF method and the reason for selecting a comparable company under the Comparable Companies Analysis or the Comparable company analysis method), and after deliberations and examinations, it confirmed the reasonableness of such valuation. Furthermore, as described in "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(3) Matters Concerning Valuation" above, the Special Committee confirmed the procedures for issuing a fairness opinion at Yamada Consulting and received this fairness opinion (Yamada Consulting) from Yamada Consulting as of September 6, 2021.

Also, the Special Committee, taking into account the advice of the external advisors (tax experts), confirmed that the Treasury Share Acquisition Price has been set in such manner that, even after fully considering the tax benefits that ENEOS may theoretically enjoy by applying the provisions for exclusion of deemed dividends from taxable income under the Corporation Tax Act if ENEOS were to tender its shares in the Treasury Share Acquisition, the amount of the proceeds after tax if ENEOS were to tender its shares in the Tender Offer would be equivalent to the amount of the proceeds after tax if ENEOS were to tender its shares in the Treasury Share Acquisition.

In addition, since the Special Committee received the first proposal from Goldman Sachs and ENEOS on July 26, 2021 that the Tender Offer Price be set at 3,600 yen per share, the Special Committee has continuously discussed and negotiated with the Related Parties to the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price. Specifically, in response to the proposal made on July 26, 2021, the Special Committee, on August 3, 2021, requested that the Tender Offer Price be raised and that the schedule for the Transaction be reconsidered in order to ensure a sufficient period of time for consideration in terms of enhancing the corporate value of the Company and protecting the interests of the minority shareholders. In response to this, on August 5, 2021, the Related Parties to the Tender Offeror re-proposed that the Tender Offer Price be set at 3,800 yen per share and that the date of public announcement of the Transaction be September 7, 2021. In response, on August 6, 2021, the Special Committee again requested a review of the Tender Offer Price, and on August 12, 2021, the Related Parties of the Tender Offeror re-proposed the Tender Offer Price to be 3,850 yen per share. In addition, on August 18, 2021, the Special Committee, while confirming the relationship with the acquisition price of the Treasury Share Acquisition and its intention to set a majority of minority condition, again requested a review of the tender offer price. Accordingly, on August 23, 2021, the Related Parties of the Tender Offeror proposed to set the Tender Offer Price at 3,900 yen per share and, taking into consideration that the provisions for exclusion of deemed dividends from taxable income would apply to the Treasury Share Acquisition Price, to set the Treasury Share Acquisition Price at 2,790 yen per share based on an amount equivalent to the after-tax proceeds if ENEOS accepted the tender offer and the after-tax proceeds if ENEOS accepted the share repurchase. Even after receiving such proposal, the Special Committee judged that further negotiations should be conducted from the viewpoint of the interests of the minority shareholders, and on August 26, 2021, the Special Committee requested the Related Parties of the Tender Offeror to repropose the Tender Offer Price as 4,000 yen per share based on the market price and other market conditions as of that date. As a result, on August 30, 2021, the Special Committee received a proposal from the Related Parties of the Tender Offeror to set the Tender Offer Price at 4,000 yen per share and the Treasury Share Acquisition Price at 2,859 yen per share, and determined that, in principle, the price was reasonable from the viewpoint of the interests of the minority shareholders. As a result, on September 7, 2021 the Company received a proposal from a Related Party of the Tender Offeror that the Tender Offer Price be set at 4,000 yen per share and the Treasury Share Acquisition Price be set at 2,859 yen, resulting in an increase of 11.11% in price compared to the initial proposal price.

In the course of such negotiations, the Special Committee deliberated carefully from the perspective of the interests of the minority shareholders based on various advice received from Yamada Consulting, Mizuho Securities, and Mori Hamada & Matsumoto and decided its own negotiation policy. Specifically, first of all, the Special Committee has received from the Company an explanation regarding the preparation and assumptions of the Business Plan as it is to be a premise for the negotiation

of the purchase price in the Tender Offer. In negotiations with the Related Parties of Tender Offeror, the Special Committee receives necessary advice from each advisor, deliberates on the matter, and informs the Related Parties to the Tender Offeror of the Special Committee's intention in writing that the Special Committee confirmed the content.

Furthermore, the Special Committee received explanations from Mori Hamada & Matsumoto on multiple occasions regarding the draft of the Press Release concerning the Tender Offer to be announced or submitted by the Company and the contents of the draft of the Tender Offeror press release and the draft of the Tender Offer Notification, and verified the contents thereof. These drafts describe, the management policies of the Company after the Transaction, the policies of ENEOS and Goldman Sachs on the holding and disposition of shares of the Tender Offeror and the Company and the terms and conditions of each agreement to be entered into among the Related Parties to the Tender Offeror, including the enhancement of the corporate value of the Company by the Transaction and the terms and conditions of the Transaction, including the price of the Treasury Share Acquisition are described. At the meeting of the Special Committee, ENEOS and Goldman Sachs, as well as the Company, were asked to attend the meeting to receive explanations on related matters and made efforts to obtain information by asking questions.

Under the above-mentioned circumstances, the Special Committee carefully discussed and considered the Consultation Matters based on the legal advice from Mori Hamada & Matsumoto and the advice received from Mizuho Securities and Yamada Consulting from a financial standpoint, as well as the contents of the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Yamada Consulting) and Fairness Opinion (Yamada Consulting) submitted on September 6, 2021, and submitted the Findings Report the contents of which are outlined below with unanimous approval from all members, after careful discussions and exhaustive considerations of the Consulted Matters to the Board of Directors of the Company on September 7, 2021.

(a) Contents of Report

The Special Committee's report to the Board of Directors of the Company as of September 7, 2021 is as follows.

- i. It is believed that the purpose of the Transaction is reasonable in terms of whether or not it will contribute to the enhancement of the corporate value of the Company.
- ii. It is believed that from the perspective of the interests of the Company's minority shareholders, (a) the appropriateness of the terms and conditions of the Transaction and (b) the fairness of the procedures of the Transaction are ensured.
- iii. It is recommended to the Board of Directors of the Company that, if the Tender Offer is commenced, it (i) express an opinion in support of the Tender Offer and recommend that the Company Shareholders tender their shares in the Tender Offer and (ii) make decisions in relation to the procedures for going private of the Company following the Tender Offer as part of the Transaction.
- iv. Decisions to be made by the Company (including the Board of Directors of the Company) regarding the implementation of the Transaction would not be disadvantageous to the minority shareholders of the Company.

(Note 15) Decisions regarding to the implementation of the Transaction include (i) decisions to express an opinion supporting the Tender Offer and recommend that the Company Shareholders tender their shares in the Tender Offer and (ii) decisions relating the execution of the Share Consolidation and the other procedures for taking the Company private after the Tender Offer as part of the Transaction.

(b) Reason for Report

- i. As a result of the consideration of the relevant circumstances including the following matters, the Special Committee has determined that the purpose of the Transaction is reasonable and that the Transaction will contribute to the enhancement of the corporate value of the Company.
 - The principal purpose of the Transaction is to respond to changes in the business environment surrounding the Company and realize the effect of enhancing the Company's corporate value by planning growth strategies and achieving flexibility and speed of decision making, while avoiding the possibility of conflict of interest that may arise due to parent/subsidiary listing, by going private (more specifically, by going private, the Company may achieve corporate value enhancement effects through expansion of overseas business and growth of real estate development business).
 - With the support of Goldman Sachs and ENEOS after the Transaction, it is reasonably expected that it will be possible to achieve corporate value enhancement effects such as expansion of overseas business and growth of real estate development business. In the case of going private with Goldman Sachs' acquisition of equity participation while maintaining its status as a consolidated subsidiary of ENEOS for the time being, it is expected that the aforementioned corporate value enhancement effects will be maximized by conducting flexible and prompt business judgment as a private company while continuing to maintain and expand the stable core business of the Company within ENEOS group.
 - Regarding the possibility of adverse business effects associated with the Transaction, (i) the effect of equity participation by foreign investors: Goldman Sachs, (ii) the effect of repayment of borrowings procured to fund the settlement of the Tender Offer, etc., (iii) the effect on maintenance of licenses and approvals, bidding qualifications, etc. held by the Company, and (iv) the effect on recruitment activities and other human capital management of the Company or the Company subsidiary, etc. have been examined, and the Special Committee believes that there are no material adverse effects, or reasonable countermeasures is taken if any such adverse effects exists.
 - The Special Committee has also reviewed with ENEOS and the Company management the status of consideration of other options, including (i) the sale of ENEOS's shares in the Company to a third party, or (ii) ENEOS making the Company a wholly-owned subsidiary, or (iii) ENEOS partnering with a company other than Goldman Sachs, and has found that the proposed transaction involving the collaboration of ENEOS and Goldman Sachs is the most realistic and reasonable option in practice.
- ii. As a result of consideration of the relevant circumstances including the following matters, the Special Committee has determined that the appropriateness of the terms and conditions of the Transaction have been secured from the

viewpoint of benefiting minority shareholders of the Company.

- The method of the Transaction will not prejudice the interests of any minority shareholders.
 - Although the Tender Offeror is a 100% (indirect) limited liability company owned by Goldman Sachs as of the time of the Tender Offer and there is no capital relationship with ENEOS with respect to the Transaction, the Related Parties to the Tender Offeror have agreed to enter into the Transaction Agreement as of September 7, 2021, the day on which the Transaction is announced, and to sequentially conduct a series of transactions including the Tender Offer, the Contribution, the Organizational Change, the Tender Offer, and the Treasury Share Acquisition by ENEOS.
 - The purchase price of the Treasury Share Acquisition is set so as not to be disadvantageous to minority shareholders as described below.
 - The Tender Offer Price is reasonable from the standpoint of the interests of the minority shareholders;
 - The Special Committee did not find anything particularly unreasonable with regard to the procedures and contents of the formulation of the Business Plan, which is used as the basis for the calculation by the DCF Method in the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Yamada Consulting).
 - The Share Valuation Report (Yamada Consulting) does not contain any unreasonable points concerning the calculation method and the content of the calculation and is thus deemed credible. The Tender Offer Price exceeds the upper limit of the calculation results of the market share price method and the comparable company method of the Share Valuation Report (Yamada Consulting) and exceeds the median value of the calculation results of the DCF Method (close to the mean value).
 - The Fairness Opinion (Yamada Consulting) does not contain any unreasonable points with respect to the issuing procedures and the contents, and it is deemed credible, and it is deemed in that Opinion that the Tender Offer Price is considered reasonable from a financial point of view for the shareholders of the Company (excluding the Tender Offeror and its affiliated companies).
 - The Share Valuation Report (Mizuho Securities) does not contain any particularly unreasonable points with respect to the calculation method and content, and it is deemed credible. The Tender Offer Price exceeds the upper limit of the calculation results of the market share price analysis method and the comparable company analysis method described in the Share Valuation Report (Mizuho Securities), and exceeds the median (and the mean value) of the calculation results of the DCF Method.
 - The premium level of the Tender Offer Price with respect to the market share price is deemed to be comparable and reasonable in light of premium levels in tender offers conducted by controlling shareholders for the purpose of taking a listed subsidiary private that are similar transactions to the Transaction, taking into consideration the speculative report of June 11, 2021 and the subsequent increase of the share price of the Company, which exceeded the trends of the overall stock market and the trends of the average share price of other companies in the same industry during the period from August 30, 2021 to September 6, 2021, in light of the levels of premiums with a transaction date that is immediately before the date of the above speculative report as the reference date, in addition to the levels of premiums with a transaction date that is immediately before the date of the announcement of the Tender Offer as the reference date.
 - It can be judged that the Tender Offer Price is reasonable even from the perspective of appropriate distributions of the effect of the enhancement of the corporate value of the Company as a result of the Transaction.
 - The Treasury Share Acquisition Price is reasonable from the viewpoint of the interests of the minority shareholders;
 - The Treasury Share Acquisition Price is set so that, even in the maximum consideration of the tax advantages which ENEOS may theoretically enjoy by applying the provisions for exclusion from taxable income of deemed dividends prescribed in the Corporation Tax Act in the case of accepting the Treasury Share Acquisition, the amount of proceeds after tax is equivalent between the case where ENEOS participates in the Tender Offer and the case where ENEOS accepts the Treasury Share Acquisition, to the extent that the amount of proceeds after tax in the latter does not exceed the former.
 - Other conditions are not considered to be detrimental to the interests of the minority shareholders;
 - With respect to the transaction terms of the Transaction other than the Tender Offer Price and the Treasury Share Acquisition Price, including the terms and conditions of the Transaction Agreement and the Shareholders Agreement as set forth in the Notice Concerning Planned Commencement of Tender Offer for Share Certificates of NIPPO Corporation (Securities Code: 1881)” released on September 7, 2021 by the Tender Offeror, no event has been confirmed that should be considered to unfairly benefit any of the Related Parties of the Tender Offeror at the expense of the Company’s minority shareholders, and there are no circumstances that would impair the appropriateness of the transaction terms of the Transaction.
- iii. As a result of the consideration of the relevant circumstances including the following matters, the Special Committee determined that the procedures for the Transaction are fair from the viewpoint of promoting the interests of the minority shareholders of the Company.
- The Company Board of Directors has established a Special Committee independent from the Company and the Related Parties of the Tender Offeror, and a system has been established to enable the Special Committee to be substantially involved in negotiations with the Related Parties of the Tender Offeror.
 - The Special Committee shall have obtained a Share Valuation Report and a Fairness Opinion from Yamada Consulting, the Special Committee’s own financial advisor and third-party appraiser.
 - The Company has received legal advice from Mori Hamada & Matsumoto, an independent legal advisor of the Company.
 - The Company obtained the Share Valuation Report from Mizuho Securities, the independent financial advisor and third-party valuation institution of the Company;

- With respect to the Transaction, an environment has been secured in which other potential acquirers can make counterproposals after the announcement where the so-called indirect market checks are conducted, and the fairness of the procedures will not be impaired by the absence of active market checks in the Transaction.
 - The non-establishment of a majority of minority condition may make the consummation of the Tender Offer unstable and may not benefit minority shareholders who wish to tender in the Tender Offer. In addition, it is recognized that sufficient measures to ensure fairness have been taken in the Transaction.
 - In connection with the Transaction, the Special Committee will endeavor to collect information from the Related Parties to the Tender Offeror, make adequate disclosure thereof, and secure opportunities for minority shareholders to make appropriate judgments based on sufficient information.
 - It will implement the Tender Offer as soon as possible if the Tender Offer is successful, and it is clarified that upon implementing the Tender Offer, the amount of money to be delivered to the shareholders of the Company will be calculated to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each such shareholder, in order to avoid the occurrence of any coercive force;
 - There is no fact which causes presumption that the Company was unduly influenced by the Related Parties to the Tender Offeror in the course of discussions, examinations and negotiations pertaining to the Transaction.
- iv. Considering the matters set forth in (i) through (iii) above, the Special Committee recommends to the Board of Directors of the Company based on the conditions as of the date of the preparation of the Findings Report that if the Tender Offer is commenced, it should implement the Transaction, including expressing its approval for the Tender Offer, and the Special Committee believes that it would not be disadvantageous to the minority shareholders of the Company for the Company (including the board of directors of the Company) to make a decision regarding the implementation of the Transaction.

(iii) Background to Considerations and Content of Decision After Submission of the Findings Report

The Board of Directors of the Company resolved on September 7, 2021 that (i) when the Tender Offer commences, the Company will ask the Special Committee established by the Company to consider whether there are any changes to the findings reported to the Board of Directors of the Company by the Special Committee on September 7, 2021, and to inform the Board of Directors of the Company to that effect if there are no changes or to report the revised findings if there are any changes, and that (ii) at the time the Tender Offer commences, the Board of Directors will express the opinion on the Tender Offer again by taking into account such findings.

In response to the resolution of the Board of Directors, the Special Committee received reports and information sharing from the Company after September 7, 2021 through e-mails and verbal communications regarding the status and progress of the procedures for Permissions, the status of the market share price, and the status of inquiries from shareholders (including whether there is any competing takeover offer), and confirmed the response policy. Further, a total of six meetings of the Special Committee were held after September 7, 2021 and those matters were shared with the Special Committee, and the Special Committee carefully considered whether there are circumstances that should cause a change to the contents of the above findings report as of September 7, 2021.

Specifically, the Special Committee first considered the opinion of some shareholders of the Company that (i) the assumptions underlying the calculation of the value of the Company Shares (in particular, the establishment of free cash flow) should be disclosed in greater detail, (ii) a more proactive search (market check) for potential acquirers to replace Goldman Sachs should be conducted in connection with the Transaction, and (iii) a majority of minority condition should be set upon the execution of the Transaction.

With regard to (i) above, the Special Committee determined that it would be appropriate to provide a more detailed explanation of matters such as the free cash flow, which is the assumption underlying the calculation of the value of the Company Shares by each third-party valuation institution, and gave an instruction to the Company on the policy for specific disclosure. For the contents of the specific disclosure for which that instruction was given, please refer to Notes 8 through 13 in “(I) Share Valuation Report Obtained by the Company from Independent Third-Party Valuation Institution” under “(3) Matters Concerning Valuation” above.

With respect to (ii) above, on October 25, 2021, the Special Committee reconfirmed to ENEOS the status of the consideration of potential acquirers other than Goldman Sachs. In response, ENEOS stated that while it would be desirable from the perspective of the stability of the Company’s management for ENEOS to continue to be the parent company of the Company for the time being, given the public nature of the Company’s business and other factors, the overlap between the business domains of ENEOS and the Company is limited, and it would be difficult for ENEOS to realize the enhancement of the corporate value of the Company on its own. ENEOS also explained that, although, proposals were informally made by several securities companies and others to make the Company a wholly-owned subsidiary or to acquire a majority of the voting rights of the Company, all of those proposals were based on the premise that ENEOS would immediately cease to be the parent company of the Company and they did not simultaneously satisfy the interests of ENEOS and the enhancement of the corporate value of the Company. Based on that explanation, the Special Committee assessed that it is reasonable for ENEOS to determine that the Transaction, which will be conducted by ENEOS jointly with Goldman Sachs, will ensure the sustainable growth of both ENEOS and the Company, and will contribute to avoiding the possibility of any conflict of interest associated with a parent-subsidary listing, planning growth strategies, and increasing the flexibility and speed of decision-making by the management team. In addition, the Special Committee has determined that a market check has been conducted to a certain degree even in the presence of the intentions of ENEOS, the controlling shareholder, because no competing takeover offer has been made to the Company by any other potential acquirer since the commencement notice was announced on September 7, 2021 until today.

With regard to (iii) above, on October 25, 2021, the Special Committee again asked the Tender Offeror whether it intends to set a majority of minority condition. In response, the Tender Offeror stated again that it believes that a majority of minority condition might make the successful completion of the Tender Offer unstable and might not serve the interests of the minority shareholders who intend to tender their shares in the Tender Offer. In that regard, the Special Committee assessed that while a majority of minority condition could contribute to ensuring fairness, in the Transaction, an announcement was made at the stage where the Tender Offer was scheduled to commence, and the period from the announcement to the completion of the Tender

Offer is long and the risk of disruption of the transaction by the acquisition of a small portion of the Shares of the Company Shares is higher than in past cases of tender offers by controlling shareholders. Further, given that a fairness opinion regarding the Transaction was obtained from Yamada Consulting, which was independently selected by the Special Committee as a third-party valuation institution, and that the Special Committee negotiated the Tender Offer Price and other conditions in good faith from an independent position, the Special Committee determined that the fairness of the terms and conditions of the transaction as a whole was ensured even if a majority of minority condition was not set.

In addition to the above, the Special Committee also carefully considered the fact that the market share price of the Company is higher than the tender offer price following the announcement of the Transaction on September 7, 2021 (especially after the announcement of opinions, etc. on the Transaction by some shareholders in late September 2021). On October 25, 2021, the Special Committee asked the Tender Offeror whether it expects to conduct the Tender Offer under such circumstances where the market price remains higher than the Tender Offer Price, and whether the Tender Offeror intends to change the Tender Offer Price. In response, the Tender Offeror stated that the Tender Offer Price represents a sufficient premium on the market price of the Company's shares, which was at its highest level since its listing prior to the announcement of the Transaction on September 7, 2021, and that the Tender Offeror does not plan to change the Tender Offer Price because it believes that the Tender Offer will provide a reasonable and attractive opportunity for the minority shareholders of the Company to sell their shares, and it assumes that the Tender Offer will attract sufficient tendered shares in light of the Company's shareholder composition.

In this regard, in addition to the reasons the Special Committee determined that the terms and conditions of the Transaction, including the Tender Offer Price, were appropriate from the perspective of the interests of the Company's minority shareholders in the Findings Report dated September 7, 2021 mentioned above, the Special Committee also determined that the Tender Offer with a tender offer price of 4,000 yen per share will provide the Company's minority shareholders with an opportunity to sell the Company Shares at a price with an appropriate premium in light of the fact that, among other factors, the market price of the Company Shares after the announcement of the Transaction has been formed under the influence of various speculations on the Transaction such as the expectation for a counteroffer, which has not actually been made at the present, in anticipation of the existence of the Transaction and the Tender Offer provides all of the minority shareholders with an opportunity to sell their shares outside the market at the same price regardless of the share price or trading volume on the market.

After considering the above additional questions, the Special Committee confirmed that it is not necessary to change the findings in the Findings Report, even after taking into consideration the events, etc. that have occurred during the period from September 7, 2021 to November 11, 2021, and the Special Committee submitted the Additional Report to the Board of Directors on November 11, 2021 stating that there is no change to the opinion in the Findings Report. However, given that the market price of the Company Shares was higher than the Tender Offer Price even at the time of the submission of the Additional Report, the Special Committee expressed a supplementary opinion to the Board of Directors of the Company that when the Board of Directors of the Company resolves to recommend that the shareholders of the Company tender their shares in the Tender Offer and makes an announcement to that effect, the Company should appropriately alert the shareholders of the Company to that point.

(II) Share Valuation Report and Fairness Opinion Obtained by Special Committee from Independent Financial Advisor and Third-Party Valuation Organization

As set forth in "(I) Establishment of an Independent Special Committee by the Company" above, the Special Committee appointed Yamada Consulting as its financial advisor and third-party valuation organization that is independent from Related Parties of the Tender Offeror, received advice from a financial standpoint including advice on the computation of the Shares and negotiation policy with the Related Party of the Tender Offeror and obtained the Share Valuation Report (Yamada Consulting) as of September 6, 2021. In addition, the Special Committee obtained from Yamada Consulting the Fairness Opinion stating that the Tender Offer Price of JPY 4,000 per share is fair to the shareholders of the Company (excluding ENEOS) from a financial point of view, as well. For overview of the Share Valuation Report (Yamada Consulting) and the Fairness Opinion, please refer to "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(3) Matters Concerning Valuation" above.

Please note that Yamada Consulting is not a related party of the Company or the Related Parties to the Tender Offeror and does not have any material interest to be noted in the Transactions including the Tender Offer. For details on the independence of Yamada Consulting, please refer to "(ii) Background to Considerations and Content of Decision Until Submission of the Findings Report" under "(I) Establishment of an Independent Special Committee by the Company."

(III) Advice Received from Independent Legal Advisor of Company

As set out in "(I) Establishment of an Independent Special Committee by the Company" above, the Company appointed Mori Hamada & Matsumoto as its legal advisor independent from the Related Party of the Tender Offeror, and the Company received legal advice including advice with respect to the measures to be taken to ensure the fairness of procedures taken in the Transactions, various steps to be taken for the Transactions, and the method for decision-making by the Company for the Transactions and the process, etc. thereof.

Please note that Mori Hamada & Matsumoto is not a related party of the Company or Related Party to the Tender Offeror and does not have any material interest to be noted in the Transactions including the Tender Offer.

(IV) Share Valuation Report Obtained from Independent Financial Advisor and Third-Party Valuation Organization of Company

As set out in "(I) Establishment of an Independent Special Committee by the Company" above, the Company appointed Mizuho Securities as its financial advisor and third-party valuation organization who is independent from the Company and Related Parties of the Tender Offeror, received advice and assistance from a financial standpoint including advice on the computation of the Shares and negotiation policy with the Related Party of the Tender Offeror and obtained the Share Valuation Report (Mizuho Securities) as of September 6, 2021. For an overview of the Share Valuation Report (Mizuho Securities), please refer to "(I) Establishment of an Independent Special Committee by the Company" under "(3) Matters Concerning Valuation" above.

Please note that Mizuho Securities is not a related party of the Company or a Related Party to the Tender Offeror. As described in "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party

Valuation Organization” under “(3) Matters Concerning Valuation” above, Mizuho Bank, a group company of Mizuho Securities, is scheduled to provide the Tender Offeror with loans for the purchase funds, etc. and the Special Committee approved the appointment of Mizuho Securities as a Third-Party Valuation Organization of the Company in view of the independence and expertise of Mizuho Securities. For independence of Mizuho Securities, please refer to “(I) Establishment of an Independent Special Committee by the Company” under “(3) Matters Concerning Valuation” above.

(V) Establishment of an independent review system at Company

As described in “(IV) Decision-making Process and Reasons Leading to Company Supporting Tender Offer” under “(2) Basis and Reason for Opinions on the Tender Offer” above, the Company has established a system within the Company to examine, negotiate, and make decisions regarding the Transaction from the perspective of enhancing the Company’s corporate value and securing the interests of the Company’s minority shareholders, independent from the Related Party of the Tender Offeror. Specifically, since the end of June 2021, the Company has decided not to engage in discussions and negotiations concerning the terms and conditions of the Transaction between the Company and Related Parties of the Tender Offeror, including, but not limited to, officers and employees of the Company who currently serve or who served concurrently as officers and employees of ENEOS or GSSPC, to eliminate the possibility of being affected by structural conflicts of interest, and it has continued such measures until the date of this Press Release. In addition, the fact that there is no problem from the perspective of independence, etc. with respect to the examination system for the Transaction established within the Company has been approved by the Special Committee.

(VI) Approval of All Directors Disinterested in the Company and Opinion of No Objection of Auditors Disinterested in the Company

The Board of Directors of the Company carefully discussed and considered whether the Transactions, including the Tender Offer, would contribute to the increase of corporate value of the Company, and whether the terms and conditions of the Transactions, including the Tender Offer Price, are reasonable, based on the legal advice received from Mori Hamada & Matsumoto and the advice from a financial standpoint and the content of the Share Valuation Report (Mizuho Securities) received from Mizuho Securities, and the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting) obtained through the Special Committee, and with maximum respect for the contents of the determinations by the Special Committee stated in the Findings Report, as described in “(IV) Decision-making Process and Reasons Leading to Company Supporting Tender Offer” under “(2) Basis and Reason for Opinions on the Tender Offer” above.

As a result, at the meeting of the Board of Directors of the Company held on September 7, 2021, the Company determined that (i) the Transaction, including the Tender Offer, will contribute to the enhancement of the corporate value of the Company as described in “(2) Basis and Reason for Opinions on the Tender Offer” above, and (ii) the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable and secure the benefits to be enjoyed by the minority shareholders of the Company, and that the Tender Offer will provide the minority shareholders of the Company with a reasonable opportunity to sell their the Company Shares at an appropriate price of premium. At the meeting of the Board of Directors of the Company held on September 7, 2021, all of the directors of the Company who participated in the deliberations and resolutions unanimously expressed their opinion that if the Tender Offer is commenced, in the opinion of the Company on that date, and that they support the Tender Offer and recommended the shareholders of the Company that they tender in the Tender Offer.

Following that, the Board of Directors of the Company again exhaustively discussed and carefully reviewed the terms and conditions of the Tender Offer again, while respecting the contents of the Additional Report submitted by the Special Committee to the maximum extent possible. As a result, on November 11, 2021, the Company determined that the Tender Offer Price of 4,000 yen per share continues to be an appropriate price that ensures the benefit that should be received by the Company’s minority shareholders, and that the Tender Offer will provide the Company’s minority shareholders with a reasonable opportunity to sell the Company Shares at a price with an appropriate premium (for the reasons for that determination, please refer to “(iv) Decision-making Process and Reasons Leading to Company Supporting Tender Offer” in “(2) Basis and Reason for Opinions on the Tender Offer” above), and the Board of Directors of the Company resolved to express an opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

At both meetings of the Board of Directors of the Company described above, Mr. Satoshi Arishige, one of the directors of the Company, and Mr. Toru Tsuiki, one of the auditors of the Company, did not participate in the deliberation and resolution of related items from the viewpoint of eliminating the possibility that the deliberation and resolution of the Board of Directors would be affected by structural conflict of interest issues and information asymmetry issues in the Transaction, because they had held positions as employees and directors of ENEOS and its subsidiaries in the past. The above resolution was deliberated by all of the Directors, except for Mr. Satoshi Arishige, and unanimously adopted. All of the Auditors, except for Mr. Toru Tsuiki, expressed their opinion that they have no objection.

Mr. Satoshi Arishige, one of the directors of the Company, did not participate in the deliberation and resolution of related items of the Transaction including both of the above meetings of the Board of Directors of this Press Release from the viewpoint of eliminating the possibility that the it would be affected by structural conflict of interest issues and information asymmetry issues in the Transaction, and did not participate in the deliberations and negotiations with the Related Parties of the Tender Offeror concerning the Transaction in his capacity as the Company.

Mr. Toru Tsuiki, one of the auditors of the Company, did not participate in the deliberation of the Board of Directors on the Transaction above from the viewpoint of eliminating the possibility that the it would be affected by structural conflict of interest issues and information asymmetry issues in the Transaction, and refrained from expressing his opinion on the resolution of both of the above Board of Directors meetings.

(VII) No Deal Protection Clause

The Company and Related Parties of the Tender Offeror have not entered into any agreement that limits opportunities for the Company to have contact with a competing offeror, such as an agreement that includes deal protection provisions that prohibit the Company from having contact with a competing offeror, and not precluded opportunities of competing purchases; thus, they have given consideration to ensuring the fairness of the Tender Offer.

Further, the Company and the Tender Offeror believe that the opportunity for a competing offer for the Company Shares by a

person other than the Tender Offeror has already been sufficiently provided considering that the Tender Offer was announced by the Tender Offeror in the Announcement of Opinion Regarding Planned Commencement of Tender Offer for the Company's Shares by Roadmap Holdings GK dated September 7, 2021 and that as of today, more than two months have passed since that announcement.

(VIII) Measures to Ensure Opportunities for Company's Shareholders to Appropriately Determine Whether or Not to Tender in Tender Offer

As set out in "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" above, after consummation of the Tender Offer, Tender Offeror is planning to request the Company to promptly hold a special shareholders' meeting for Share Consolidation and the amendment to the articles of incorporation to abolish the provisions as to share unit number conditional after Share Consolidation comes into effect and made it clear that the cash amount to be delivered to the Company's shareholders in the case of a demand for sale of shares or the Share Consolidation would be calculated so as to be equal to the Tender Offer Price multiplied by the number of the Shares held by each of such, and thus, this has given consideration to ensuring that the Company's shareholders would have the opportunity to appropriately determine whether or not to tender in the Tender Offer and would not be coerced.

In addition, the Tender Offeror sets a Tender Offer Period of 30 business days, though the statutory minimum period for a tender offer is 20 business days. The Tender Offeror secures a period for shareholders of the Company to consider the appropriateness of the Transaction and reasonableness of the Tender Offer Price as well as make a proper decision on whether or not to tender in the Tender Offer, by setting a relatively long Tender Offer Period. In addition, as stated above, the Tender Offeror believes that the period of consideration for the Company's shareholders can be evaluated to have been longer than usual, considering that more than two months have already passed since the announcement of the Tender Offer on September 7, 2021.

4. Matters concerning the material agreement between the Tender Offeror and the shareholders of the Company concerning the tender of the Tender Offer

(I) Transaction Agreement

GSSPC and ENEOS have entered into the Transaction Agreement including the following terms and conditions regarding the terms of the Transaction as of September 7, 2021.

- (i) GSSPC shall cause the Tender Offeror to commence the Tender Offer in accordance with the purchase conditions set out in the Transaction Agreement as part of the Transaction on the condition that the following Tender Offer Conditions are satisfied (or waived by GSSPC and ENEOS, provided, however, that the Tender Offer Conditions in (viii) and (ix) cannot be waived by a party who breached the same).
- (1) The Special Committee established within the Company has provided a report to express its support on the Company's approval of the Tender Offer, the recommendation to the Company's shareholders to tender their shares in the Tender Offer, and the implementation of the Transaction, and the relevant report has not been withdrawn.
 - (2) The Company's board of directors has unanimously resolved (excluding any directors having or may have special interests with ENEOS) to support the Tender Offer and to recommend the Company's shareholders to tender their shares in the Tender Offer, such resolution has been publicized, and no resolution to withdraw such opinion or otherwise is inconsistent with such opinion has been made.
 - (3) There is no material change regarding the businesses or properties of the Company or its subsidiaries as defined in the proviso clause of Article 27-11, Paragraph 1 of the Act, or any other event that may constitute a material obstacle to the fulfillment of the purpose of the Tender Offer.
 - (4) No petition, lawsuit or procedure to restrict or prohibit any part of the Transaction is pending against any legal or administrative authorities, no decisions have been made by legal or administrative authorities that restrict or prohibit any part of the Transaction, and there is no real threat thereof.
 - (5) With regards to the Transaction, any and all Permissions have been obtained in Areas Subject to Notification Under Antitrust Laws and the waiting period has elapsed (if any) (including a receipt of notice that no Cease and Desist Order will be made). Moreover, fair trade commission or any other legal or administrative authorities of the relevant countries or regions are reasonably expected not to impose any measures or procedures that may prevent the conclusion of the Transaction;
 - (6) With regards to the notification under Article 27, Paragraph 1 of the FEFTA, the period set forth in Article 27, Paragraph 2 of the FEFTA (or any shorter period if the period was shortened pursuant to the same Paragraph) has expired without any measures or procedures taken by administrative authorities that prevent the Tender Offer, or such period is reasonably expected to expire prior to the commencement date of the settlement for the Tender Offer.
 - (7) The Shareholders Agreement, the Capital Contribution Agreement between ENEOS and the Tender Offeror regarding the ENEOS Contribution, and the Capital Contribution Agreement between GSSPC and the Tender Offeror regarding the GSSPC Contribution have been validly executed and remain in full force and effect.
 - (8) GSSPC and ENEOS have performed or complied with in all material respects any and all obligations that must be performed or complied with under the Transaction Agreement prior to the commencement date of the Tender Offer.
 - (9) The representations and warranties of ENEOS, the representations and warranties of Nogizaka Holdings, and the representations and warranties of Aether Holdings under the Transaction Agreement are true and accurate in all material respects.
 - (10) The Company has confirmed that there are no material facts pertaining to the businesses (as defined in Article 166, Paragraph 2 of the Act) concerning the Company that are not publicized (as defined in Article 166, Paragraph 4 of the Act) by the Company.
- (ii) ENEOS will not tender the Non-tendered Shares in the Tender Offer.
- (iii) After the completion of the Tender Offer, GSSPC and ENEOS will implement each of the transactions in the Transaction (the Contribution, the Organizational Change, the Share Consolidation, and the Treasury Share

Acquisition) in sequence (including the exercise of voting rights, etc. in the Tender Offeror and the Company that is necessary for the implementation of the Transactions).

- (iv) ENEOS will sell all of the Company Shares held by ENEOS in response to the Treasury Share Acquisition.
- (v) GSSPC and ENEOS will enter into the Shareholders Agreement.
- (vi) Matters related to the representations and warranties of each party (the following are an overview of the specific contents of the matters related to the representations and warranties: (i) the incorporation and continued validity of the corporate entity, (ii) the existence of the authority and power necessary for the lawful and effective execution and performance of the Transaction Agreement and the lawful performance of procedures necessary therefor, (iii) the enforceability of the Transaction Agreement, (iv) the absence of conflicts with laws and regulations, (v) the acquisition and exercise of permissions, (vi) the lawful and effective ownership of the Company Shares by ENEOS, (vii) the absence of transactions with anti-social forces, (viii) the absence of bankruptcy or similar proceedings, and (ix) the compliance with regulations concerning personal information and the appropriate management and/or acquisition of personal information).

In addition, in the Transaction Agreement, GSSPC and ENEOS agree to the following: indemnification obligation and damage mitigation obligation in the event of a default of obligations or breach of representations and warranties, cancellation and termination of the agreement, confidentiality obligations, obligations to prohibit the transfer or other disposition of or succession to contractual status and rights and obligations, and obligation to consult in good faith if any matter not stipulated in the agreement or any doubt regarding the terms of the agreement arises.

(II) Shareholders Agreement

As stated in “(III) Management Policy After the Tender Offer” under “(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy” in “3. Contents, Basis of and Reason for Opinions on the Tender Offer” above, as of September 7, 2021, GSSPC and ENEOS entered into the Shareholders Agreement as described below with regard to operation and handling of shares, etc., of the Tender Offeror and the Company after the Transaction:

- (i) The Tender Offeror will have two directors and ENEOS and GSSPC may each appoint one director, and the Company will have eight directors and ENEOS and GSSPC may each appoint four directors.
- (ii) The Company will have two representative directors and ENEOS and GSSPC may each appoint one representative director.
- (iii) The Company will establish a management committee composed of four people in total: two representative directors of the Company and two other members appointed by GSSPC.
- (iv) The Tender Offeror will have one company auditor (nominated by ENEOS) and the Company will have three company auditors (nominated by ENEOS).
- (v) The accounting auditor of the Tender Offeror and the Company will be selected based on an agreement between ENEOS and GSSPC.
- (vi) Implementation of (i) change in the stated capital or reserves, (ii) determination or change in executive remuneration, (iii) dividends and other distribution of profits, (iv) approval of financial statements and (v) acquisition of treasury shares (except those planned in an annual budget or business plan), in each case, requires a resolution of the general meeting of shareholders of the Company and requires prior confirmation of the intention of GSSPC and its approval.
- (vii) If the Tender Offeror or the Company decides to relist, GSSPC may request that ENEOS sell all or some of the Class A Shares of the Tender Offeror held by ENEOS (a number equivalent to a maximum of 9.95% of the total number of issued shares) (those Class A Shares may be converted to common shares only if (i) the Tender Offeror or the Company decides to relist, (ii) ENEOS or GSSPC intends to transfer the common shares of the Tender Offeror held by it and it received a request to sell those common shares from the other party, or (iii) ENEOS or GSSPC intends to transfer the common shares of the Tender Offeror held by it and it executed an agreement pertaining to that transfer with the expected transferee. Therefore, if the Tender Offeror or the Company decides to relist, GSSPC may purchase from ENEOS the Class A Shares in a number equivalent to a maximum of 9.95% of the total number of issued shares of the Tender Offeror, and following that, the Class A Shares may be converted into common shares at a ratio of 1:1.)
- (viii) Matters related to the representations and warranties of each party (the following are an overview of the specific contents of the matters related to the representations and warranties: (i) the incorporation and continued validity of the corporate entity, (ii) the existence of the authority and power necessary for the lawful and effective execution and performance of the Shareholders Agreement and the lawful performance of procedures necessary therefor, (iii) the enforceability of the Shareholders Agreement, (iv) the absence of conflicts with laws and regulations, (v) the absence of bankruptcy or similar proceedings, and (vi) the compliance with regulations concerning personal information and the appropriate management and/or acquisition of personal information).

In addition, in the Shareholders Agreement, GSSPC and ENEOS agree to the following: indemnification obligation and damage mitigation obligation in the event of a default of obligations or breach of representations and warranties, cancellation and termination of the agreement, confidentiality obligations, obligations to prohibit the transfer or other disposition of or succession to contractual status and rights and obligations, and obligation to consult in good faith if any matter not stipulated in the agreement or any doubt regarding the terms of the agreement arises.

The specific director candidates and other details of the management structure have not yet been determined, but ENEOS and GSSPC each plan on nominating four directors of the Company while continuing to consult with the Company in the future.

5. Details of Provision of Benefits from the Tender Offeror or a Special Related Party of the Tender Offeror

N/A

6. Response Policy with respect to Basic Policy Related to Corporate Control of Company

N/A

7. Questions to the Tender Offeror

N/A

8. Request for Postponement of Tender Offer Period

N/A

9. Future Outlook

See “(II) Background, Reasons and Decision-making Process Leading to Tender Offeror’s Decision to Conduct Tender Offer”, “(III) Management Policy after Tender Offer” and “(IV) Decision-making Process and Reasons Leading to Company Supporting Tender Offer” under “(2) Basis and Reason for Opinions on the Tender Offer”, “(4) Prospect of and Reasons for Delisting”, and “(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)” under “3. Contents, Basis of and Reason for Opinions on the Tender Offer” above.

10. Transactions with a Controlling Shareholder

(1) Transaction that Constitutes a Transaction with a Controlling Shareholder and Compliance with the Guidelines on the Policies for Protection of Minority Shareholders

The Company believes that, considering that the Tender Offer will be implemented by the Tender Offeror, which will become a subsidiary of ENEOS, the Company’s controlling shareholder (parent company), after the commencement date of the settlement for the Tender Offer pursuant to the Transaction Agreement to which ENEOS is a party, the Board of Directors’ position statement for the Tender Offer constitutes a transaction with a controlling shareholder. In its Corporate Governance Report issued on June 23, 2021, the Company has stated that when the Company conducts a transaction with any other group company in ENEOS Group, the transaction terms will be determined based on the Company’s reasonable judgement to protect our minority shareholders in the light of the “guidelines on the policies for protection of minority shareholders when conducting a transaction with a controlling shareholder.”

In respect of the Transaction including the Tender Offer, as stated in “(6) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” under “3. Contents, Basis of and Reason for Opinions on the Tender Offer” above, the Company has handled the issues of structural conflict of interest and information asymmetry and taken measure to ensure the fairness of the conditions for the Transaction including the Tender Offer Price, and the Company believes that such handling complies with the above-mentioned guidelines.

(2) Measures to Ensure Fairness and Measures to Avoid Conflict of Interest

See “(6) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” under “3. Contents, Basis of and Reason for Opinions on the Tender Offer” above.

(3) Summary of the Opinion Obtained from a Person who Does not Have any Interest in the Controlling Shareholders of the Company that the Transaction is Not Detrimental to the Interest of the Minority Shareholders of the Company

On September 7, 2021, the Company obtained the Findings Report stating that (1) it believes the purpose of the Transaction is reasonable from the perspective of whether that will contribute to enhancing the corporate value of the Company, (2) it believes that (a) the appropriateness of the terms and conditions of the Transaction and (b) the fairness of the procedures of the Transaction are ensured from the perspective of securing the interests of the Company’s minority shareholders, (3) it believes if the Tender Offer commences, the board of directors of the Company should make (i) a decision to express an opinion in support of the Tender Offer and recommend the Company’s shareholders to tender their shares in the Tender Offer and (ii) a decision on the procedures for the privatization of the Company that will be conducted after the Tender Offer as part of the Transaction, and (4) it believes the minority shareholders of the Company will not be disadvantaged by the Company (including the board of directors of the Company) making a decision to execute the Transaction.

On November 11, 2021, the Company received the Additional Report with an opinion from the Special Committee to the effect that there is no change in the opinion in the Findings Report. For more details, see “(ii) Background to Considerations and Content of Decision Until Submission of the Findings Report” of “(I) Establishment of an Independent Special Committee by the Company” under “(6) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” under “3. Contents, Basis of and Reason for Opinions on the Tender Offer” above. Please note that the Findings Report and the Additional Report also give the opinion that the decisions by the Board of Directors regarding the privatization proceedings of the Company after the Tender Offer as stated in “(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)” under “3. Contents, Basis of and Reason for Opinions on the Tender Offer” above is not detrimental to the interest of the minority shareholders of the Company.

11. Others

(1) Announcement of Financial Summary for the Second Quarter of the Fiscal Year Ending March 2022 [Japanese Standard] (Consolidated)

The Company announced the Financial Summary for the Second Quarter of the Fiscal Year Ending March 2022 [Japanese Standard] (Consolidated) as of today. The following is a summary of the Company’s financial results for the second quarter based on that announcement. This information has not undergone a quarterly review by an auditing firm. For details, please refer to that announcement.

Summary of Financial Summary for the Second Quarter of the Fiscal Year Ending March 2022 [Japanese Standard]
(Consolidated)
(April 1, 2021 – September 30, 2021)
(i) Profits and Loss (Consolidated)

(Unit: million yen)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Accounting period	Fiscal year ending March 31, 2022 (Second Quarter Consolidated Cumulative Period)
Net sales	185,327
Operating income	10,817
Ordinary income	11,877
Quarterly net income attributable to shareholders of the parent company	7,602

(ii) Per share information (consolidated)

	Fiscal year ending March 31, 2022 (Second Quarter Consolidated Cumulative Period)
Per share quarterly net income	JPY 63.84
Dividend per share	—

(2) Announcement of “Notice Regarding Revision of the Dividend Forecast for the Fiscal Year Ending March 31, 2022 (No Dividend)”

With regard to the annual dividend forecast for the fiscal year ending March 31, 2022, the Company announced on September 7, 2021 the “Notice Regarding Revision of the Dividend Forecast for the Fiscal Year Ending March 31, 2022 (No Dividend).” The Company decided today to revise the dividend forecast of the Company as follows, subject to the completion of the Tender Offer. For details, please refer to that announcement.

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of year	Total
Previous forecast (announced on May 11, 2021)	-- yen --	-- yen --	-- yen --	-- yen 80.00	-- yen 80.00
Revised forecast		--	--	0.00	0.00
Results for the current fiscal year	--				
Results for the previous fiscal year (fiscal year ending March 31, 2021)	--	--	--	80.00	80.00

-End-

(Reference) See the “Notice Concerning Commencement of Tender Offer for Share Certificates of NIPPO Corporation (Securities Code: 1881)” (attached) as of the date of this Press Release.

[Restriction on Solicitation]

This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase, any securities, and neither this Press Release (or a part of this Press Release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this Press Release may not be relied upon at the time of entering into any such agreement.

[Future Prospects]

This press release, including the descriptions regarding the future business of the Tender Offeror and other companies, may contain expressions for the future prospects such as “anticipate,” “expect,” “intend,” “plan,” “believe” and “assume.” These expressions are based on the Tender Offeror’s current expectations as to the businesses, and may change depending on the future circumstances. Regarding the information herein, the Tender Offeror undertakes no obligation to change the expressions for the future prospects into those for the actual events by reflecting the actual business performance, various circumstances and changes in conditions, etc.

[Restriction in the United States]

The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(e) or Section 14(d) of the Securities Exchange Act of 1934 (as amended; “Securities Exchange Act”) and the rules promulgated under such Section do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. The Tender Offer is made by the Tender Offeror for the Company Shares. As the majority of the directors and other officers of the Tender Offerors and the Company are residents outside of the United States and most of the assets of the directors and other officers of the

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Tender Offerors and the Company are outside of the United States, it may be difficult to enforce against the Tender Offeror, the Company and their directors and other officers based on a U.S. court ruling under the civil liability provisions of U.S. federal or state securities laws or any similar ruling obtained in a court outside of Japan. Civil liability based solely on U.S. federal or state securities laws may not be available in courts in Japan, regardless of whether suit is brought in courts in Japan or whether enforcement of a U.S. court decision is sought.

Unless otherwise specified, all procedures relating to the Tender Offer shall be conducted in Japanese language. All or some of the documents relating to the Tender Offer are prepared in English language and if there is any inconsistency between the English version and the Japanese version, the Japanese version shall prevail. This press release contains “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Known or unknown risks, uncertainties and other factors could cause actual results to substantially differ from the projections and other matters expressly or impliedly set forth herein as “forward-looking statements.” Neither the Tender Offeror nor any of their respective affiliated parties, assumes that such express or implied projections, etc. set forth herein as “forward-looking statements” will eventually prove to be correct. The “forward-looking statements” contained in this press release have been prepared based on the information held by the Tender Offeror as of the date hereof and, unless otherwise required under applicable laws and regulations, neither the Tender Offeror nor any of their respective affiliated parties, assumes any obligation to update or revise this press release to reflect any future events or circumstances.

There is a possibility that any of financial advisors of the Tender Offeror, ENEOS or the Company (including their respective affiliates) may conduct purchases of stock of the Company not under the Tender Offer for its or their own account or on the account of its or their clients, or may take any action toward such purchase, prior to the commencement of the Tender Offer or during the Tender Offer Period, in the ordinary course of business in accordance with the requirements under Article 5(b) of 14(e) of the U.S. Securities Exchange Act of 1934, to such extent as is permitted by Japanese Financial Instruments and Exchange Act and other applicable laws and regulations. If information concerning such purchase or any other similar acts is disclosed in Japan, it will also be disclosed in an equivalent manner in the United States (including through the website of the person who made the purchase or any other similar acts (or through any other method of disclosure)).

[Other Countries]

Some countries or regions may impose restrictions on the announcement, issue or distribution of this Press Release. In such cases, please take note of such restrictions and comply with them. The announcement, issue or distribution of this Press Release shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.