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

July 31, 2026

To Whom It May Concern,

Company Name	NS UNITED KAIUN KAISHA, LTD.
Listing:	Tokyo Stock Exchange
Securities Code:	9110 TSE Prime
Representative:	Kazuma Yamanaka, President and Representative Director
Inquiries:	Nozomu Ishihara, Group Manager, General Affairs
TEL:	+81-3-6895-6400

Announcement of Opinion in Support of the Scheduled Commencement of the Tender Offer for the Company Shares by Nippon Yusen Kabushiki Kaisha, an Other Associated Company, and Recommendation to Tender

NS United Kaiun Kaisha, Ltd. (the "Company") hereby announces that it has resolved at its board of directors meeting held today, as the Company's opinion as of today, to express an opinion in support of the tender offer (the "Tender Offer"), and to recommend that the Company's shareholders tender their shares in the Tender Offer, as described below, if the Tender Offer for the common shares of the Company (the "Company Shares") by Nippon Yusen Kabushiki Kaisha (the "Tender Offeror") is commenced.

According to the "Notice Regarding Scheduled Commencement of Tender Offer for Shares of NS United Kaiun Kaisha, Ltd. (Securities Code: 9110)" disclosed by the Tender Offeror today, since the Tender Offer is expected to require a certain period of time for necessary procedures and responses under competition laws of domestic and foreign jurisdictions (Japan, Australia, China, and Brazil), it is scheduled to be promptly commenced upon the satisfaction (or waiver by the Tender Offeror) of the Conditions Precedent (as defined in "(A) Overview of the Tender Offer" under "(2) Grounds and Reasons for the Opinion" under "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer"; the same applies hereinafter). As of today, the Tender Offeror intends to commence the Tender Offer from late November 2026 to late December 2026; however, as it is difficult to precisely predict the period required for procedures at domestic and foreign competition authorities, the schedule for the Tender Offer will be announced promptly once determined.

For this reason, the Company has also resolved at the aforementioned board of directors meeting, as described in "(C) Decision-Making Process and Reasons Leading to the Company's Support for the Tender Offer" under "(2) Grounds and Reasons for the Opinion" under "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" below, that upon the commencement of the Tender Offer, the Company will request the special committee established by the board of directors of the Company regarding the Tender Offer (the "Special Committee") to consider whether there are any changes to the opinion expressed by the Special Committee to the Company's board of directors as of July 31, 2026, and to notify the Company's board of directors that there is no change, if that is the case, or of its changed opinion, if there are any changes, and that the Company will express its opinion regarding the Tender Offer again at the time the Tender Offer is commenced, based on such opinion of the Special Committee.

The aforementioned resolution of the board of directors was passed on the premise that the Tender Offeror intends to take the Company Shares private through the Tender Offer and a subsequent series of procedures, and that the Company Shares are scheduled to be delisted.

1. Overview of the Tender Offeror

(1) Name	Nippon Yusen Kabushiki Kaisha

(2)	Address	3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(3)	Title and Name of Representative	Takaya Soga, President and Representative Director
(4)	Business Description	Liner Trade Business, Logistics Business, Automotive Business, Dry Bulk Business, Energy Business, and Other Business
(5)	Stated Capital	JPY 144,319 million (As of March 31, 2026)
(6)	Date of Incorporation	September 29, 1885
(7)	Major Shareholders and Shareholding Ratios (As of March 31, 2026) (Note 1)	The Master Trust Bank of Japan, Ltd. (Trust Account) 17.17% Custody Bank of Japan, Ltd. (Trust Account) 6.00% BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing Proxy: MUFG Bank, Ltd.) 2.36% Meiji Yasuda Life Insurance Company (Standing Proxy: Custody Bank of Japan, Ltd.) 2.04% The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) 1.63% STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Settlement Sales Department, Mizuho Bank, Ltd.) 1.43% JP MORGAN CHASE BANK 385781 (Standing Proxy: Settlement Sales Department, Mizuho Bank, Ltd.) 1.42% Katsumi Tada 1.16% GOLDMAN SACHS INTERNATIONAL (Standing Proxy: Goldman Sachs Japan Co., Ltd.) 1.14% Ueda Yagi Tanshi Co., Ltd. 0.92%
(8)	Relationship between the Company and the Tender Offeror	
	Capital Relationship	As of today, the Tender Offeror directly owns 4,324,725 Company Shares (Ownership Ratio (Note 2): 18.35%), and when combined with the 45,800 Company Shares (Ownership Ratio: 0.19%) indirectly owned through Naikai Tug Boat Service Co., Ltd. (hereinafter referred to as "Naikai Tug Boat"), a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror owns a total of 4,370,525 Company Shares (Ownership Ratio: 18.55%).
	Personnel Relationship	One of the directors of the Company and one of the auditors are originally from the Tender Offeror.
	Transactional Relationship	There is no material transactional relationship between the Company Group and the Tender Offeror Group. However, there are transactions between the Company Group and the Tender Offeror Group based on time charter agreements under which vessels are chartered for a certain period of time.
	Status as a Related Party	The Tender Offeror accounts for the Company as an equity-method affiliate and qualifies as a related party of the Company.

Note 1: "(7) Major Shareholders and shareholding Ratios (as of March 31, 2026)" is described based on the "Status of Major Shareholders" described in the Tender Offeror's Securities Report for the Fiscal Year Ended March 2026 filed by the Tender Offeror on June 16, 2026.

Note 2: "Ownership Ratio" refers to the percentage (rounded to two decimal places; the same applies hereinafter to the calculation of ownership ratios) relative to the number of shares (23,565,487 shares; the "Base Number of Shares") obtained by deducting the number of treasury shares owned by the Company as of June 30, 2026 (405,192 shares), as described in the Company's Financial Results (as defined below), from the total number of issued shares of the Company as of the same date (23,970,679 shares), as described in the "Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 Japan GAAP (Consolidated)" published by the Company on July 31, 2026 (the "Company's Financial Results").

2. Overview of the Tender Offer

Purpose of the Tender Offer	Privatization
Period of the Tender Offer	The Tender Offer is scheduled to be commenced promptly upon the satisfaction (or waiver by the Tender Offeror) of the Conditions Precedent. As of today, taking into account the time required for procedures, etc. before domestic and foreign competition authorities, the Tender Offeror aims to commence the Tender Offer around the period between late November 2026 and late December 2026; however, as it is difficult to precisely predict the period required for procedures at domestic and foreign competition authorities, the schedule for the Tender Offer will be announced promptly once determined. The period of purchase, etc. in the Tender Offer (the "Tender Offer Period") is scheduled to be 20 business days in principle (however, it is reported that the number of days may exceed 20 business days due to the difference in holidays between Japan and the U.S.) (Note 1).
Price of the Tender Offer	Common Shares: JPY 10,600
Minimum Number of Shares to be Purchased	3,524,375 shares (Note 2)
Maximum Number of Shares to be Purchased	— shares
Opinion of the Company	Expression of an Opinion in Support of the Tender Offer and the Recommendation to Tender

Note 1: It is intended that the Tender Offer Period will be secured for 20 business days in the U.S., which is the minimum required number of days for a tender offer period under the U.S. Securities Exchange Act of 1934. The same applies hereinafter to the descriptions of business days for the Tender Offer Period.

Note 2: With respect to the minimum number of shares to be purchased, the shareholding ratio of shares, etc. after the purchase, etc. (which refers to the shareholding ratio of shares, etc. prescribed in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act"), and in the case where there are special related parties as prescribed in Paragraph 1, Item 1 of the same Article, including the shareholding ratio of shares, etc. of such special related parties) will be 66.83% (rounded to two decimal places). The shareholding ratio of shares, etc. is calculated using the number of voting rights (235,087 units) described in the Securities Report for the Fiscal Year Ended March 2026 filed by the Company on June 23, 2026 (the "Company's Securities Report") as the denominator, as the Company is unable to accurately determine the number of the Company Shares held by holders of less-than-one-unit shares as of today.

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

(1) Details of the Opinion

Based on the grounds and reasons described in "(2) Grounds and Reasons for the Opinion" below, the Company resolved at its board of directors meeting held today, as the Company's opinion as of today, to express its opinion in support of the Tender Offer, and to recommend that the Company's shareholders tender their shares in the Tender Offer, if the Tender Offer is commenced.

The aforementioned resolution of the board of directors was passed in the manner described in "(G) Unanimous Approval of All Disinterested Directors and a No-Objection Opinion from All Disinterested Audit & Supervisory Board Members" under of the Company" under "(3) Measures to Ensure the Fairness of Dual Tender Offers" below.

(2) Grounds and Reasons for the Opinion

Among the descriptions in this "(2) Grounds and Reasons for the Opinion," statements regarding the Tender Offeror are based on explanations received from the Tender Offeror.

(A) Overview of the Tender Offer

As of today, the Tender Offeror is a company listed on the Prime Market of the TSE and is the second-largest shareholder of the Company, directly holding 4,324,725 shares of the Company Shares (Ownership Ratio: 18.35%), which are also listed on the Prime Market of the TSE, and, when combined with 45,800 shares of the Company Shares indirectly held through Naikai Tug Boat, a wholly-owned subsidiary of the Tender Offeror (Ownership Ratio: 0.19%), the Tender Offeror holds a total of 4,370,525 shares of the Company Shares (Ownership Ratio: 18.55%) and treats the Company as an equity-method affiliate.

The Tender Offeror has stated that it resolved, at a meeting of its board of directors held on July 31, 2026, to execute a tender offer agreement (the "Tender Offer Agreement") with the Company (for details of the Tender Offer Agreement, please refer to "(B) Tender Offer Agreement" under "(6) Material Agreements Relating to the Dual Tender Offers" below) and a basic agreement (the "Basic Agreement") with Nippon Steel Corporation ("Nippon Steel"), the Company's largest shareholder, which owns 7,861,280 Company Shares (Ownership Ratio: 33.36%) and accounts for the Company as an equity-method affiliate, and, subject to the satisfaction (or waiver by the Tender Offeror (any of the Conditions Precedent defined below may be waived)) of the conditions precedent set forth in the Tender Offer Agreement (the "Conditions Precedent") (Note 1), to implement the Tender Offer as part of a series of transactions (the "Transactions") for the purpose of acquiring all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company), making the Company a consolidated subsidiary of the Tender Offeror, and making the Tender Offeror and Nippon Steel the sole shareholders of the Company, and setting the respective ownership ratios of the Company Shares held by the Tender Offeror and Nippon Steel in the Company following the privatization of the Company Shares (the "Shareholding Ratios") (Note 2) at 83.33% and 16.67%.

The Transactions consist of: (i) the Tender Offer by the Tender Offeror for the purpose of acquiring all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company); (ii) a tender offer for share repurchase by the Company (the "Tender Offer for Share Repurchase"; and together with the Tender Offer, the "Dual Tender Offers"), which is to be commenced subject to the successful completion of the Tender Offer and other conditions, for the purpose of acquiring a portion (4,720,438 shares, Ownership Ratio: 20.03%) of the Company Shares held by Nippon Steel (7,861,280 shares, Ownership Ratio: 33.36%); and (iii) a series of procedures to make the Tender Offeror and Nippon Steel the sole shareholders of the Company (the "Squeeze-Out Procedures") conducted in the event the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer.

As described in "(B) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers, and Management Policy After Dual Tender Offers" below, the Tender Offeror determined that, by setting the Tender Offer Price for Share Repurchase (as defined below; the same applies hereinafter) lower than the Tender Offer Price (as defined below; the same applies hereinafter), compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer, it would be possible to provide the general shareholders of the Company with an opportunity to sell their shares at a higher price through the Tender Offer, which serves the interests of the general shareholders of the Company. The Tender Offeror, therefore, adopted the scheme in which the Company conducts the Tender Offer for Share Repurchase in addition to the Tender Offer by the Tender Offeror. Consequently, if the Tender Offer is not successful, the Tender Offer for Share Repurchase is not expected to be conducted.

Since the Tender Offer requires clearance with respect to prior notifications under domestic and foreign competition laws in Japan, Australia, China and Brazil, and such procedures have not yet been completed as of today, the relevant notification procedures are scheduled to commence promptly after today. As of today, the Tender Offeror aims to obtain clearance with respect to the notification of the share acquisition under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade of Japan (Act No. 54 of 1947, as amended) within 30 days of the commencement of the notification process; with respect to the notification under the Australian Competition Act, within approximately two (2) to three (3) months of the commencement of the notification process; with respect to the notification under the Chinese Competition Act, within approximately 1.5 to 2.5 months of the commencement of the notification process; and with respect to the notification under the Brazilian Competition Act, within approximately one (1) to two (2) months of the commencement of the notification process.

As such, it is expected that a certain period of time will be required for the relevant procedures and actions. The Tender Offeror intends to promptly commence the Tender Offer upon the completion of the relevant procedures and actions set forth in the Tender Offer Agreement and the satisfaction of certain Conditions Precedent (or the waiver thereof by the Tender Offeror). As of today, the Tender Offeror intends to commence the Tender Offer between late November and late December 2026. However, due to the difficulty in accurately predicting the time required for the procedures, etc., before domestic and foreign competition authorities, the schedule for the Tender Offer will be announced promptly upon its determination.

Furthermore, when notifications under competition laws are made in Australia, China and Brazil, announcements regarding the Tender Offeror’s acquisition of the Company Shares will be published by the Australian Competition and Consumer Commission, which oversees the procedures relating to notifications in Australia, the State Administration for Market Regulation, which oversees the procedures relating to notifications in China, and the Administrative Council for Economic Defense, which oversees the procedures relating to notifications in Brazil; therefore, in order to avoid such announcements being published by the Australian Competition and Consumer Commission, the State Administration for Market Regulation and the Administrative Council for Economic Defense prior to the Tender Offeror’s announcement regarding the Tender Offer, the Tender Offeror has announced the scheduled commencement of the Tender Offer prior to the commencement of such notifications and the commencement of the Tender Offer.

Note 1: “Conditions Precedent” means that (i) the Company’s board of directors has resolved to express its opinion in support of the Tender Offer (the “Expression of an Opinion in Support of the Tender Offer”) and to recommend that the shareholders of the Company tender their shares in the Tender Offer (the “Recommendation to Tender”), such resolution has been publicly announced in accordance with applicable laws and regulations, and no change or withdrawal has occurred in respect of the Expression of an Opinion in Support of the Tender Offer nor the Recommendation to Tender, nor has any resolution contradicting the same been made; (ii) the Special Committee (as defined below; the same applies hereinafter) has provided a favorable report to the Company’s board of directors regarding the Company’s board of directors expressing support for the Tender Offer and recommending that the shareholders of the Company tender their shares in the Tender Offer, and no withdrawal or change has been made with respect to the content of the report; (iii) there are no judgments, etc. (meaning, collectively, judgments, decisions, orders, judicial settlements, licenses, permits, approvals, administrative guidance and other judgments by any judicial or administrative agencies, etc.) of any judicial or administrative authority, etc. (meaning, collectively, courts, arbitrators, arbitration bodies, supervisory authorities and other domestic and foreign judicial agencies, administrative agencies and self-regulatory organizations, including domestic and foreign financial instruments exchanges; the same applies hereinafter) restricting or prohibiting any of the Transactions; (iv) there are no material changes in the business or assets of the Company or of its subsidiaries nor any other circumstances that would significantly compromise the achievement of the purpose of the Tender Offer as stipulated in the proviso to Article 27-11, Paragraph 1 of the Act; (v) there are no circumstances that could give rise to material adverse effects on the business, financial conditions, operating conditions, assets, liabilities, or cash flows of the Company Group (as defined in "(i) Background, Purpose and Decision-Making Process Leading to the Tender Offeror's Decision to Implement the Dual Tender Offers" in "(B) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers, and Management Policy After Dual Tender Offers" below; the same applies hereinafter), nor any other circumstances that would render the implementation of the Transactions objectively impossible or significantly difficult have arisen or been discovered; (vi) clearance with respect to competition law and other regulatory laws necessary for the execution of the Transactions has been obtained or is objectively expected to be obtained (the "Clearance"), and the commencement of the Tender Offer by the Tender Offeror does not violate any applicable laws or regulations.

Note 2: With respect to the Shareholding Ratios, the Tender Offeror, taking into consideration, among other things, the background of the Company's development and growth through Nippon Steel's relationship in the Company's business, including business relationships involving continuous provision of ocean transport services, and personnel relationships involving the secondment of directors and other senior executives, which has enabled the Company to swiftly and accurately grasp trends in transport demand within the dry bulk shipping market and contributed to the Company's governance, and from the perspective of maintaining Nippon Steel's interest in the management and business performance of the Company by reflecting the Company's business performance in Nippon Steel's consolidated financial statements as an equity-method affiliate and maintaining the cooperative relationship with respect to business and governance described above, determined that securing a ratio at which the Company can be an equity-method affiliate of Nippon Steel would contribute to the enhancement of the Company's corporate value, and held discussions with Nippon Steel and made a final determination.

In connection with the Tender Offer, the Tender Offeror has, as of today, executed the Basic Agreement with Nippon Steel, which is the largest shareholder of the Company, holding 7,861,280 Company Shares (Ownership Ratio: 33.36%) and accounting for the Company as an equity-method affiliate, and has agreed that: (i) Nippon Steel will not tender any of its Company Shares (7,861,280 shares, Ownership Ratio: 33.36%) in the Tender Offer; (ii) with respect to 4,720,438 shares (Ownership Ratio: 20.03%; the "Shares to Be Tendered for Share Repurchase") out of the Company Shares held by Nippon Steel, Nippon Steel will tender such shares in the Tender Offer for Share Repurchase, and Nippon Steel will not tender the remaining 3,140,842 shares (Ownership Ratio: 13.33%; the "Shares Not to Be Tendered for Share Repurchase") in the Tender Offer for Share Repurchase (Note 3); (iii) in the event the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer, as described in "(4) Policy for Organizational Restructuring, etc. after Dual Tender Offers" below, the Tender Offeror will, after the successful completion of the Tender Offer, request the Company to hold an extraordinary general meeting of shareholders (the "Extraordinary Shareholders' Meeting") at which the agenda items will include a proposal for share consolidation (the "Share Consolidation") pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") and a proposal for a partial amendment to the Company's articles of incorporation to abolish the provisions on share units on the condition that the Share Consolidation takes effect, for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Company; and (iv) Nippon Steel will exercise its voting rights in favor of the proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting.

In addition, the Tender Offeror has, as of today, executed a shareholders' agreement (the "Shareholders' Agreement") with Nippon Steel, which provides for the management, etc. of the Company following the Transactions.

For an overview of the Basic Agreement, please see "(6) Material Agreements Relating to the Dual Tender Offers" below.

Note 3: The Shares to Be Tendered for Share Repurchase and the Shares Not to Be Tendered for Share Repurchase have been determined, respectively, in light of the need for Nippon Steel to tender only

4,720,438 of the Company Shares held by it in the Tender Offer for Share Repurchase in order to set an appropriate consolidation ratio for the Share Consolidation to be conducted following the Dual Tender Offers, such that the ownership ratios of the Company Shares held by the Tender Offeror and Nippon Steel in the Company following the privatization of the Company Shares will be the Shareholding Ratios.

In the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 3,524,375 shares (Ownership Ratio: 14.96 %), and if the total number of shares, etc. tendered in the Tender Offer (the "Tendered Shares, Etc.") is less than the minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Shares, Etc. On the other hand, the intention of the Tender Offeror is to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company) and to make the Tender Offeror and Nippon Steel the sole shareholders of the Company in order to take the Company Shares private, and therefore it has not set a maximum number of shares to be purchased. If the total number of the Tendered Shares, Etc. is equal to or greater than the minimum number of shares to be purchased, 3,524,375 shares, the Tender Offeror will purchase all of the Tendered Shares, Etc. The minimum number of shares to be purchased, 3,524,375 shares (Ownership Ratio: 14.96%), is obtained by: (i) multiplying the number of voting rights (235,654 rights) pertaining to the Base Number of Shares (23,565,487 shares) by two-thirds (2/3) (157,103 rights (rounded up to the nearest whole number)); (ii) deducting therefrom the number of voting rights (78,612 rights) pertaining to the Company Shares held by Nippon Steel (7,861,280 shares), (iii) multiplying the result (78,491 rights) by the number of shares constituting one (1) unit (100 shares) of the Company Shares (7,849,100 shares), and (iv) deducting therefrom the number of the Company Shares held by the Tender Offeror (4,324,725 shares). As the purpose of the Transactions is to take the Company Shares private and to make the Tender Offeror and Nippon Steel the sole shareholders of the Company, and since a special resolution at a general meeting of shareholders as stipulated in Article 309, Paragraph 2 of the Companies Act is required to implement the procedures for the Share Consolidation, in order to ensure the implementation of such procedures, the minimum number of shares to be purchased has been set such that, after the Tender Offer, the Tender Offeror and Nippon Steel will hold two-thirds (2/3) or more of the voting rights of all shareholders, etc., of the Company. The Tender Offeror has agreed with the Company, in the Tender Offer Agreement, that public notice concerning the setting of a record date will be made such that the date that will serve as the record date for the Extraordinary Shareholders' Meeting will be a date as close as practicable to the settlement commencement date of the Tender Offer (as of today, expected to be around early January of 2027). Therefore, Nippon Steel may exercise its voting rights at the Extraordinary Shareholders' Meeting with respect to all of the Company Shares held by it as of today. Furthermore, under the Basic Agreement, Nippon Steel has agreed to tender all of the Shares to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase and not to tender all of the Shares Not to Be Tendered for Share Repurchase in the Dual Tender Offers; however, since Nippon Steel has agreed to exercise in favor all voting rights pertaining to all of the Company Shares held by it at the Extraordinary Shareholders' Meeting, in setting the minimum number of shares to be purchased, the number of voting rights pertaining to all of the Company Shares held by Nippon Steel has been deducted. The minimum number of shares to be purchased is a provisional figure based on information available as of today and may differ from the actual figure in the Tender Offer due to changes in the number of treasury shares held by the Company after the date of this announcement. Prior to the commencement of the Tender Offer, the Tender Offeror plans to determine the final minimum number of shares to be purchased based on the most recent information available at the time of the commencement of the Tender Offer.

From the perspective of maintaining confidentiality during the consideration of the Transactions, the Tender Offeror did not provide any explanation regarding the Dual Tender Offers to Naikai Tug Boat, a wholly-owned subsidiary of the Tender Offeror, prior to the public announcement of the Dual Tender Offers, nor did it enter into any agreement with Naikai Tug Boat regarding the Tender Offer with respect to all of the Company Shares held by Naikai Tug Boat. However, following the public announcement of the Dual Tender Offers, the Tender Offeror plans to request that Naikai Tug Boat tender all of the Company Shares it holds, namely, 45,800 shares (Ownership Ratio: 0.19%), in the

Tender Offer. Taking into consideration the capital relationship between the Tender Offeror and Naikai Tug Boat, the Tender Offeror believes that Naikai Tug Boat will tender its shares in the Tender Offer. As such, the Tender Offeror does not plan to enter into a tender agreement with Naikai Tug Boat.

In the event the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Company after the successful completion of the Tender Offer, as described in "(4) Policy for Organizational Restructuring, etc. after Dual Tender Offers" below.

At its board of directors meeting held today, the Company resolved, subject to the successful completion of the Tender Offer and other conditions, to acquire treasury shares and, as the specific method of acquisition, to conduct a tender offer for the purpose of acquiring the Shares to Be Tendered for Share Repurchase as the second phase of the Transactions following the implementation of the Tender Offer, pursuant to the provisions of the Company's articles of incorporation in accordance with Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the same Act. The Company plans to adopt a board of directors resolution regarding the commencement of the Tender Offer for Share Repurchase and publicly announce the same promptly after the date of the announcement of the results of the Tender Offer (currently expected to be around early January 2027), and to commence the Tender Offer for Share Repurchase on the next business day thereafter (currently expected to be around early January 2027).

The purchase, etc. price per Company Share in the Tender Offer for Share Repurchase (Note 4) (the "Tender Offer Price for Share Repurchase"; together with the purchase, etc. price per Company Share in the Tender Offer (the "Tender Offer Price"), the "Dual Tender Offer Prices") is expected to be JPY 7,676, which is JPY 2,924 (28% (rounded to the nearest whole number)) lower than the Tender Offer Price of JPY 10,600.

Note 6: The difference between the Tender Offer Price and the Tender Offer Price for Share Repurchase (JPY 2,924) was agreed upon in the Tender Offer Agreement and the Basic Agreement after discussions among the Tender Offeror, Nippon Steel and the Company, taking into consideration the factors stated below. For details of the process of determining the Tender Offer Price and the Tender Offer Price for Share Repurchase, please refer to "(i) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Dual Tender Offers" in "(B) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers, and Management Policy After Dual Tender Offers" below.

(a) Taking into account that the dividends received deduction for deemed dividends prescribed in the Corporation Tax Act (Act No. 34 of 1965, as amended; the same applies hereinafter) is expected to apply, the Tender Offer Price for Share Repurchase shall be set such that the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would be equal to the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer at the Tender Offer Price. Accordingly, the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will not exceed the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer at the Tender Offer Price, and Nippon Steel will not derive any benefit compared to the general shareholders of the Company.

(b) Given that there is a limit on the aggregate purchase price by the Tender Offeror, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer, it would be possible to provide the general shareholders of the Company with an opportunity to sell at a higher price through the Tender Offer, which serves the interests of the general shareholders of the Company.

(c) Furthermore, if the Tender Offer for Share Repurchase were not conducted as part of the Transactions and the Company instead acquired its own shares from Nippon Steel through an off-market share repurchase following the privatization, the percentage of dividend income eligible for exclusion from taxable income under the dividends received deduction regime prescribed in the Corporation Tax Act applicable to Nippon Steel could be reduced depending on the number of Company Shares tendered in the Tender Offer and the share consolidation ratio in the subsequent share consolidation. Accordingly, conducting the Tender Offer for Share Repurchase enables the price at which the Company acquires its own shares held by Nippon Steel to be set at a lower level, thereby allowing the Tender Offer Price to be set at a higher level and providing the Company's general shareholders with an opportunity to sell their Company Shares through the Tender Offer at a higher price.

Taking into account that provisions with respect to the dividends received deduction for deemed dividends provided for in the Corporation Tax Act are expected to apply to the corporate shareholders of the Company in the Tender Offer for Share Repurchase, the Tender Offer Price for Share Repurchase is determined so that the after-tax net proceeds per share received by Nippon Steel if it were to tender its Company Shares in the Tender Offer at the Tender Offer Price are equivalent to the after-tax net proceeds per share received by Nippon Steel if it tenders its Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase. The Tender Offeror expects that shareholders of the Company other than Nippon Steel will tender their shares in the Tender Offer rather than the Tender Offer for Share Repurchase; however, the shareholders of the Company should consult with tax accountants or other professionals at their own responsibility regarding the tax implications.

On the other hand, in order to ensure that the Company can purchase all of the Shares to Be Tendered for Share Repurchase even if certain shareholders of the Company other than Nippon Steel were to tender their shares in the Tender Offer for Share Repurchase, the Company plans to set the maximum number of shares to be purchased in the Tender Offer for Share Repurchase at 5,898,713 shares (Ownership Ratio: 25.03%; aggregate purchase price: JPY 45,278,520,988), which exceeds the Shares to Be Tendered for Share Repurchase of 4,720,438 shares (Ownership Ratio: 20.03%) agreed to be tendered in the Tender Offer for Share Repurchase under the Basic Agreement by 1,178,275 shares. Furthermore, if, after the successful completion of the Tender Offer, the number of shares obtained by deducting from the total number of issued shares of the Company as of the settlement commencement date of the Tender Offer the number of Company Shares held by the Tender Offeror and the number of treasury shares held by the Company and the Shares Not to Be Tendered for Share Repurchase is less than 5,898,713 shares, the number of shares in circulation in the market will be such number, and such number is expected to be set as the maximum number of shares to be purchased. In addition, if the total number of shares, etc. tendered in the Tender Offer for Share Repurchase (the "Tendered Shares, Etc. for Share Repurchase") does not exceed the maximum number of shares to be purchased in the Tender Offer for Share Repurchase, the Company will purchase all of the Tendered Shares, Etc. for Share Repurchase. As described above, the Tender Offeror expects that shareholders of the Company other than Nippon Steel will tender their shares in the Tender Offer; however, if the total number of the Tendered Shares, Etc. for Share Repurchase exceeds the maximum number of shares to be purchased (5,898,713 shares), the Company will not purchase all or part of the excess, and delivery and other settlement of the purchase, etc. of the shares, etc. will be conducted by the pro rata method prescribed in Article 27-13, Paragraph 5 of the Act as applied mutatis mutandis by Article 27-22-2, Paragraph 2 of the Act and Article 21 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates, Etc. by Issuer (Ordinance of the Ministry of Finance No. 95 of 1994, as amended). However, if the total number of the Tendered Shares, Etc. for Share Repurchase is expected to exceed the maximum number of shares to be purchased (5,898,713 shares), the Company contemplates raising the maximum number of shares to be purchased in the Tender Offer for Share Repurchase in order to purchase all of the Shares to Be Tendered for Share Repurchase.

Even if the maximum number of shares to be purchased (5,898,713 shares) in the Tender Offer for Share Repurchase is purchased, the relevant aggregate purchase price of JPY 45,278,520,988 is within the Company's distributable amount, and therefore no situation will arise where settlement of the Tender Offer for Share Repurchase cannot be conducted. The Company plans to fund the amount required for the settlement, etc., of the Tender Offer for Share Repurchase from the Company's own funds and borrowings from financial institutions or the Tender Offeror. Furthermore, with respect to shares that are not subject to the purchase, etc., if the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, cash in an amount equal to the Tender Offer Price per share will be delivered.

The Company resolved at its board of directors meeting held today, as the Company's opinion as of today, 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, if the Tender Offer is commenced.

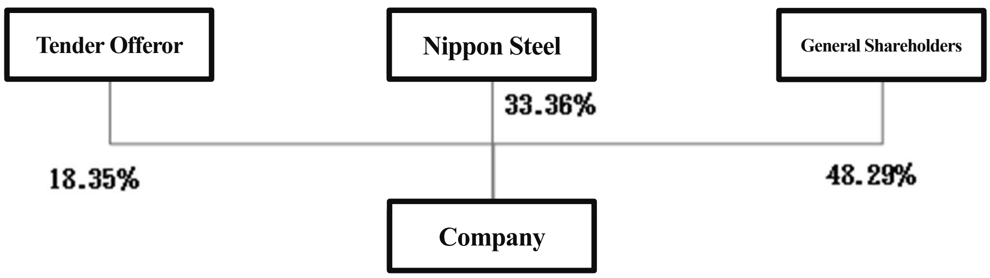
In addition, the Company has also resolved at the aforementioned board of directors meeting that upon the commencement of the Tender Offer, the Company will request the Special Committee established by the Company's board of directors in connection with the Tender Offer to consider whether there are any changes to the opinion expressed by the Special Committee to the Company's board of directors on July 31, 2026, and to advise the Company's board of directors that there are no changes if that is the case, or otherwise to express its revised opinion, and that, based on such opinion of the Special Committee, the Company will express its opinion regarding the Tender Offer again when the Tender Offer is commenced. For details of the resolution of the Company's board of directors meeting, please refer to the Company's Press Release Concerning Expression of Opinion and "(G) Unanimous Approval by All Disinterested Directors and a No-Objection Opinion from All Disinterested Audit & Supervisory Board Members of the Company" in "(3) Measures to Ensure Fairness of the Dual Tender Offers" below.

In addition to the resolution above, as described in the "Notice Concerning the Scheduled Commencement of the Tender Offer for Share Repurchase" disclosed by the Company today, the Company has also resolved at its board of directors meeting held today, as the second phase of the Transactions following the implementation of the Tender Offer, to conduct the Tender Offer for Share Repurchase for the purpose of acquiring the Company Shares to be tendered for share repurchase held by Nippon Steel, subject to the successful completion of the Tender Offer and other conditions, pursuant to the provisions of the Company's Articles of Incorporation in accordance with Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the same Act.

Schematics of the Transactions

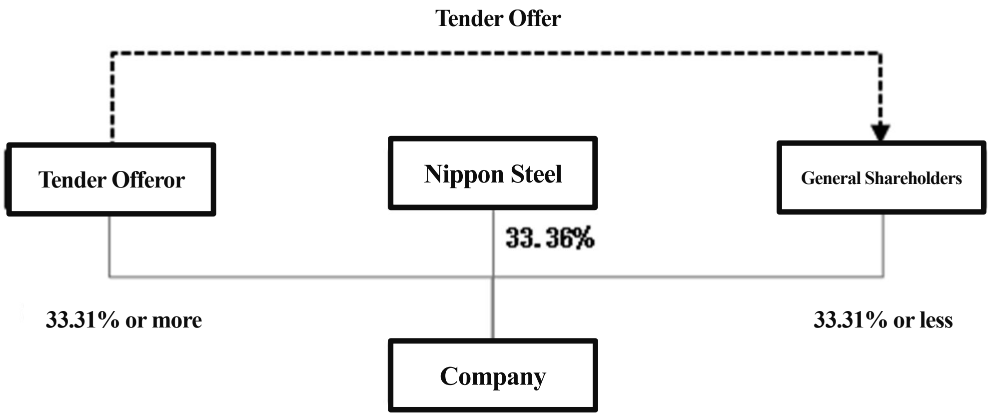
(i) Before the implementation of the Tender Offer (current status)

As of today, the Tender Offeror holds 4,324,725 shares of the Company Shares (Ownership Ratio: 18.35%), Nippon Steel holds 7,861,280 shares of the Company Shares (Ownership Ratio: 33.36%), and other general shareholders hold 11,379,482 shares of the Company Shares (Ownership Ratio: 48.29%).



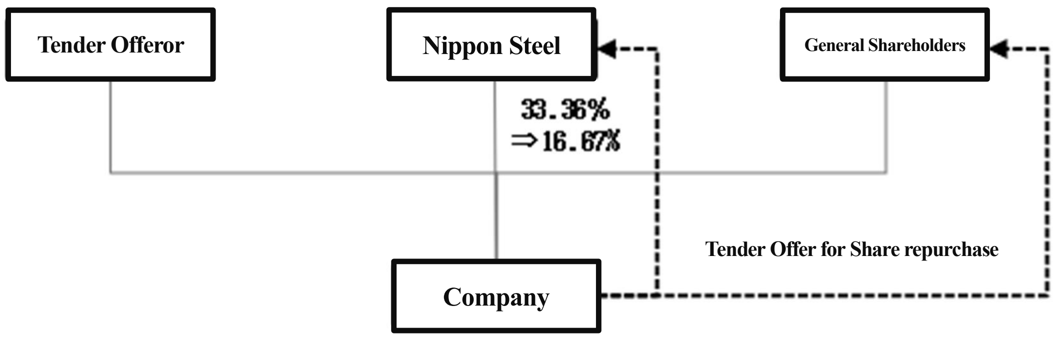
(ii) The Tender Offer (late November 2026 (scheduled))

The Tender Offeror will conduct the Tender Offer for the purpose of acquiring all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company).



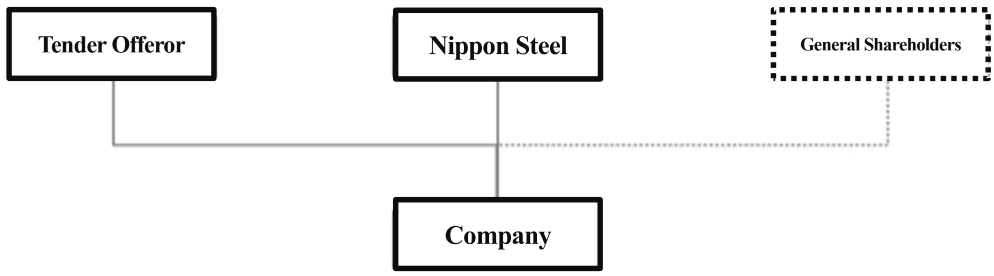
(iii) Tender Offer for Share Repurchase (early January 2027 (scheduled))

The Company will conduct the Tender Offer for Share Repurchase for the purpose of acquiring the Shares to Be Tendered for Share Repurchase held by Nippon Steel and the Company Shares held by shareholders who wish to tender their shares in the Tender Offer for Share Repurchase.



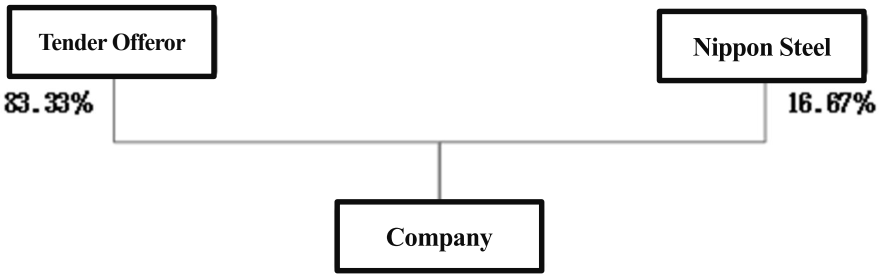
(iv) Share Consolidation (mid-April 2027 (scheduled))

In the event the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer, the Tender Offeror will, after the successful completion of the Tender Offer, request the Company to implement the Share Consolidation procedure and conduct a series of transactions for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Company.



(v) After the Transactions (mid-April 2027 (scheduled))

After the Transactions, the sole shareholders of the Company will be the Tender Offeror and Nippon Steel, and the shareholding ratios of the Tender Offeror and Nippon Steel in the Company Shares will be 83.33% and 16.67%, respectively.



(B) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers, and Management Policy After Dual Tender Offers

The Company has received the following explanation from the Tender Offeror regarding the background, purpose, and decision-making process leading to its decision to conduct Dual Tender Offers, as well as the management policy after Dual Tender Offers.

(i) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers

The Tender Offeror was established through the merger of Mitsubishi Mail Steamship Company and Kyodo Unyu Kaisha in 1885 and commenced its operations. After World War II, with the expansion of energy demand and ocean transport demand accompanying economic growth, the Tender Offeror expanded its business broadly centering on ocean transport, including the liner and logistics business (Note 1) (consisting of liner shipping, air cargo transportation (Note 2) and logistics businesses), and dry bulk (Note 3), energy and automotive businesses, and has met diverse transportation needs as a comprehensive global logistics enterprise through a transportation network covering sea, land and air spanning the globe. In addition, the Tender Offeror listed its shares on the TSE, the Osaka Securities Exchange, Inc. (which was integrated into the Tokyo Stock Exchange in 2013) (the "Osaka Securities Exchange") and the Nagoya Stock Exchange, Inc. (the "Nagoya Stock Exchange") in May 1949, and listed on the Hiroshima Stock Exchange in June 1949, and on the Fukuoka Stock Exchange, the Kyoto Stock Exchange, and the Niigata Stock Exchange in July 1949. Subsequently, it was listed on the Sapporo Stock Exchange in April 1950 and on the Frankfurt Stock Exchange in July 1973, respectively.

Thereafter, in March 2000, the Niigata Stock Exchange and the Hiroshima Stock Exchange were each delisted due to their merger with the TSE; in March 2001, the Kyoto Stock Exchange was delisted due to its merger with the Osaka Securities Exchange; in January 2004, the Sapporo Stock Exchange and the Fukuoka Stock Exchange were delisted; in January 2005, the Frankfurt Stock Exchange was delisted; in July 2013, the Osaka Securities Exchange was delisted due to its market integration with the TSE; and in December 2020, the Nagoya Stock Exchange was delisted, respectively. In April 2022, due to the restructuring of market classifications on the TSE, the Tender Offeror's shares were transferred from the First Section of the TSE to the Prime Market, and the Tender Offeror is currently listed only on the Prime Market of the TSE. As of June 30, 2026, the Tender Offeror consists of 575 consolidated subsidiaries and 250 equity-method affiliates (collectively, the "Tender Offeror Group"). The Tender Offeror Group believes that it has one of the largest fleets in the world, with 912 vessels under group operation.

Note 1: Effective August 1, 2025, the share exchange between Nippon Cargo Airlines Co., Ltd. ("NCA") and ANA HOLDINGS INC. was completed, and, as of the same date, NCA was excluded from the Tender Offeror's consolidated subsidiaries. As of today, the air cargo transportation business is not included in the Tender Offeror Group's business.

Note 2: The liner trade business consists of the container shipping division, which primarily transports consumer goods, and a terminal-related division, which operates container terminals in various locations. The logistics business has established a global network centered on the Yusen Logistics Group, which operates approximately 650 locations in more than 45 countries and regions, and provides comprehensive logistics services that optimize the entire logistics process, from ocean and air freight forwarding to the operation of logistics centers and transportation and distribution. The liner trade business and the logistics business are collectively referred to as the "Liner & Logistics Business."

Note 3: The dry bulk business supports social infrastructure with high-quality transportation services using technologies and fleets tailored to the characteristics of solid cargo, such as iron ore, coal, grain, and wood chips, that is transported without packaging.

As of today, the main business and services of the Tender Offeror Group are as follows:

Business Division	Business Activities
Liner Trade	Ocean cargo shipping, ship chartering, shipping agency, container terminal business, harbor transport services, tugboat operation
Logistics	Warehouse operation, cargo transport/handling business, coastal cargo shipping
Automotive	Ocean cargo shipping, automotive logistics, other shipping businesses
Dry Bulk	Ocean cargo shipping, ship chartering, other shipping businesses
Energy	Ocean cargo shipping, ship chartering, other shipping businesses
Others	Rental, management and sale of real estate , passenger ship business, wholesaling of ship machinery , other services related to transport, information-processing services, wholesaling of oil products, others

In March 2023, the Tender Offeror Group formulated the medium-term management plan "Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing -" (the "Tender Offeror Medium-term Management Plan"), setting out a new corporate vision for 2030, which reads as follows: "We go beyond the scope of a comprehensive global logistics enterprise to co-create value required for the future by advancing our core business and growing new ones," and has been advancing its business based on a four-year action plan through fiscal year 2026 aimed at realizing this vision. The Tender Offeror Group is promoting a growth strategy centered on sustainability, and as a business strategy, the Tender Offeror Group has established the strategic direction of each business based on the opportunities and risks in each business (AX (Ambidexterity) and BX (Business Transformation)) (Note 4). In addition to strengthening its corporate foundation by further enhancing human capital, transforming group management, strengthening governance (CX (Corporate Transformation)), and promoting the development of digital infrastructure (DX (Digital Transformation)), the Tender Offeror Group is also accelerating its decarbonization initiatives (EX (Energy Transformation)).

The Medium-term Management Plan identifies "Advancing Existing Core Businesses" as one of its pillars, and in particular, the dry bulk business, which is the main business of the Company, is positioned as a core business among its existing businesses, with a policy of further enhancing added value and further strengthening competitiveness and profitability.

The Tender Offeror's Dry Bulk Business Division has been operating its business with the "Dry Four Strategies" formulated in 2018 as its core strategy: (1) enhancing exposure management (Note 5) and improving market forecasting capabilities, (2) advancing the non-asset tramp shipping business, (3) strengthening the dedicated bulk carrier business to accumulate stable long-term profits, and (4) participating in supply chains beyond the shipping industry. The Tender Offeror intends to further deepen its global business development while also pursuing initiatives to promote decarbonization and improve capital efficiency.

Note 4: Refers to "Advancing Existing Core Businesses and Investing in New Growth Businesses" and "Taking on the Challenge of Future Strategic Growth Businesses" stated in the Tender Offeror Medium-term Management Plan.

Note 5: Refers to visualizing and managing the extent to which profits are affected by market fluctuations in freight rates.

On the other hand, the Company was spun off from Japan Iron & Steel Co., Ltd. in April 1950, along with Yawata Iron & Steel Co., Ltd., Fuji Iron & Steel Co., Ltd., and Harima Refractories Co., Ltd., under the Elimination of Excessive Economic Power Concentration Act, establishing itself as Nittetsu Steamship Co., Ltd. In February 1962, it merged with Toho Kaiun Co., Ltd. to become Shinwa Kaiun Kaisha, Ltd., the predecessor of the Company, and joined the Tender Offeror Group in 1964 based on the maritime shipping industry reorganization policy (the Act on Reorganization and Rehabilitation of the Shipping Industry). Subsequently, in October 2010, it merged with Nippon Steel Shipping Co., Ltd., a shipping subsidiary of Nippon Steel Corporation, and changed its trade name to the current NS United Kaiun Kaisha, Ltd. The Tender Offeror has not acquired any Company Shares during the five years preceding today. The Company Shares were listed on the Tokyo, Osaka, and Kobe stock exchanges in January 1951, and on the Nagoya and Fukuoka stock exchanges in August 1957. Thereafter, the Company Shares were delisted from the Kobe Stock Exchange in October 1967 in connection with its merger with the Osaka Stock Exchange, from the Nagoya and Fukuoka stock exchanges in March 2013, and from the Osaka Stock Exchange in July 2013 in connection with its merger with the TSE. Following the restructuring of the TSE's market segments in April 2022, the Company Shares were transferred to the Prime Market of the TSE, and are currently listed only on the Prime Market of the TSE. The Company is comprised of 67 subsidiaries and 5 affiliates (collectively with the Company, the "Company Group").

The Company Group primarily engages in the dry bulk business among its maritime shipping and shipping-related businesses. Under the medium-term business plan, "FORWARD 2030 II Challenge for innovation and further growth with U," formulated by the Company Group in March 2024 (the "Current Medium-term Management Plan"), the vision for 2030 is defined as "Aiming to become an indispensable presence for clean and sustainable maritime transport services, we will continue to transform ourselves in collaboration with stakeholders and further enhance our corporate value," and the Company Group is executing its management strategy toward sustainable growth and maximizing corporate value through efforts to achieve carbon neutrality. Specifically, the Company Group identifies "Expansion of New Growth Business Areas" and "Deepening of Existing Core Business Areas" as its business strategies, and, as initiatives supporting these business strategies, it is further strengthening its efforts in relation to (i) human capital strategy, (ii) sustainable shipping strategy, (iii) enhancement of governance, and (iv) DX strategy.

Turning to the environment surrounding the dry bulk business, this market is the largest segment of the ocean transport market, accounting for approximately 6 billion metric tons of the global maritime freight volume of approximately 13 billion metric tons (Source: 2025 Outlook for the Dry-Bulk and Tanker Shipping Markets), and the Tender Offeror recognizes it as a critical business sector that serves as social infrastructure responsible for transporting essential commodities, such as iron ore, coal, and grain, that underpin the global economy. On the other hand, this market is heavily influenced by fluctuations in the shipment volumes of iron ore, coal, grain, and other commodities, which are driven by trends in the global economy—particularly infrastructure investment, steel production, and resource and energy policies in major demand countries such as China. Furthermore, the market is highly susceptible to factors such as shifts in trade flows caused by geopolitical risks and changes in the international political situation. In addition to having the characteristic that changes in the supply of and demand for shipping capacity are readily reflected in freight rates, shipping capacity is difficult to adjust in the short term, resulting in a market structure in which freight rates are prone to significant fluctuations. Therefore, the market is far from one about which the Tender Offeror can be optimistic. With rapid changes in the external environment as described above, and while significant profit opportunities exist, the market has also been exposed to unpredictable potential risks; therefore, the Tender Offeror believes that it is necessary to swiftly execute a fundamental business transformation. In order to achieve stable earnings in such a highly uncertain business and to gain customer trust, the Tender Offeror believes that it is important to continually build a fleet portfolio that is prepared for market fluctuations, promptly respond to changes in the market environment, and, at the same time, operate the business based on a consistent strategy from a long-term perspective. In recent years, changes in the external environment surrounding the dry bulk business have become increasingly significant, and responding swiftly and flexibly to these significant changes has become extremely important for the development of the dry bulk business. For example, tighter environmental regulations taking climate change into account and the formulation of decarbonization policies by cargo owners are driving a rapid rise in the need for low-carbon transportation. From the demand-side perspective, structural reforms of the dry bulk business in response to medium- to long-term demand changes, including (i) changes in demand locations due to economic growth in India and Southeast Asia, the slowdown of the Chinese economy, geopolitical factors, etc., and (ii) changes in cargoes due to the decline in coal demand and the increase in demand for transportation of liquid cargoes, such as ammonia and liquefied carbon dioxide (CO_2), are necessary to continuously strengthen competitiveness. At the same time, from the supply-side perspective, it is anticipated that: (1) due to the worsening industry-wide labor shortage, the efficient deployment of seafarers and the stable securing of seafarers will become urgently necessary to ensure operational stability and safety; and (2) as newbuilding prices rise, it will be necessary to secure an even stronger financial base, accumulate new investment know-how and practices, including those relating to environmental investments, and thereby achieve efficient investment.

Given this situation, the Tender Offeror believes that, in order to implement the above measures, it is necessary to establish a strong partnership between the Tender Offeror and the Company. Furthermore, the Tender Offeror highly values the Company's human resources, expertise, and organizational strengths, particularly in the transportation of steel raw materials; its customer base; its long-standing business relationships and trust; its track record of providing high-quality transportation services; and its presence not only in the international shipping business but also in the domestic coastal shipping business. The Tender Offeror Group also believes that, by further strengthening its capital ties and collaboration with the Company, it will be possible to realize strategic benefits such as (a) further expanding its presence in the dry bulk shipping market; (b) continuously securing stable shipping demand—even in a business environment susceptible to fluctuations in shipping market conditions—through the Company's business and customer base, and accurately identifying customers' decarbonization needs and needs for more sophisticated supply chains, thereby creating medium- to long-term collaboration opportunities; and (c) by enhancing collaboration, including the connectivity between the Company's domestic coastal shipping business and the Tender Offeror's international shipping business, strengthening the domestic logistics infrastructure that supports the transportation of steel, energy, and resources, as well as utilizing such infrastructure as a platform for implementing next-generation technologies and developing maritime professionals.

However, since the Company is a listed company and remains an equity-method affiliate of the Tender Offeror, with only a limited capital relationship, and the Tender Offeror and the Company are required to operate their respective businesses independently as competitors from the perspective of competition law, the Tender Offeror believes that they are subject to certain limitations in the sharing of customer information, technical information, etc., and the mutual utilization of management resources.

Furthermore, while the Tender Offeror believes that implementing the measures listed above and below from a medium- to long-term perspective will contribute to enhancing the corporate value of the Company and the Tender Offeror Group as a whole, from a short-term perspective, there is a risk of deterioration in the Company's business performance and financial condition, and it is not necessarily the case that such measures would serve the interests of the Company's general shareholders. Therefore, the Tender Offeror believes that it may not be easy to obtain the understanding of the general shareholders regarding the implementation of such measures while maintaining the listing of the Company Shares. In order to resolve these issues, the Tender Offeror determined that it would be desirable to make the Company a consolidated subsidiary of the Tender Offeror and to take the Company Shares private.

The Tender Offeror believes that, with a view to maximizing the corporate value of both the Tender Offeror and the Company, the Transactions will enable the realization of the following synergies:

(a) Improvement in vessel deployment efficiency and reduction in costs through expansion of scale

The Tender Offeror recognizes that the Company is a global dry bulk shipping company with a fleet of 211 vessels under group operation (as of March 2026) and a transportation network connecting locations around the world. Furthermore, during the previous medium-term business plan period (fiscal years 2018 through 2022), the Company implemented structural reforms, including the sale of high-cost vessels and the early termination of time charter contracts, while developing its fleet primarily through newly built vessels, including 400,000-deadweight-ton iron ore carriers, and has continued to focus on maintaining and expanding a cost-competitive, high-quality fleet, including by planning replacement investments in vessels used in its existing businesses under the Current Medium-term Business Plan. By combining the Company’s fleet with the Tender Offeror’s fleet of 414 vessels operated in its dry bulk business (as of March 2026), the Tender Offeror believes that, by building a robust transportation network based on a larger fleet, it will be possible, in addition to their existing business activities, to pursue vessel deployment optimization and economies of scale in the procurement of fuel, vessels, funds and other resources. Specifically, the Tender Offeror believes that the following could be considered: (i) improving operational efficiency through optimal vessel deployment that takes into account the entire portfolios of vessels operated and shippers of both companies; (ii) acquiring additional projects by improving the ability to make proposals to customers through the strengthening of the global transportation network; (iii) reducing costs through collective procurement, the review of terms and cross-company cost reduction initiatives relating to fuel, marine supplies, repairs, insurance, etc.; and (iv) improving financing terms through enhanced creditworthiness.

Although no specific decisions have been made at this time, the Tender Offeror also believes that it would be possible to pursue cost benefits by partially introducing shared services for the corporate departments of both companies. In this regard, the Tender Offeror believes that it can provide knowledge and existing frameworks based on its previous experience.

(b) Capturing new transportation demand resulting from decarbonization

The Tender Offeror recognizes that the Company has, through its long-standing track record in the ocean transportation of a wide range of cargoes, including steel raw materials, established a high level of expertise enabling it to respond flexibly to customer needs and the capability to provide high-quality ocean transportation services, and has also been actively making environmentally responsive investments in order to address the increasing demand for decarbonization from customers and society.

The Tender Offeror understands that the Company is promoting environmentally responsive investments, including methanol dual-fuel vessels, and expanding its transportation business in next-generation energy fields such as ammonia and hydrogen, in order to realize its 2030 vision of becoming “an indispensable presence in clean and sustainable ocean transportation.” Specifically, the Tender Offeror recognizes that the Company is steadily implementing measures for decarbonization and in next-generation energy fields, including establishing the “Next-Generation Fuel Acquisition Project Team” and entering into a shipbuilding contract for an LPG dual-fuel VLGC capable of carrying ammonia (VLGC being an abbreviation for “Very Large Gas Carrier” and referring to a large LPG carrier).

Meanwhile, the Tender Offeror has also been actively promoting environmentally responsive investments to meet society’s demand for decarbonization and changing market needs. It has identified participation in the hydrogen and ammonia value chain as one of its new businesses and is aiming to expand its business in next-generation energy fields by leveraging the transportation expertise and know-how accumulated in its energy business.

In the field of transporting decarbonization-related cargoes, such as direct reduced iron, scrap, liquefied CO2, ammonia and hydrogen, the market is expected to grow, while advanced technological capabilities, transportation know-how, dedicated assets and customer bases are expected to constitute sources of competitiveness. In these fields, the Tender Offeror believes that, by combining the technical capabilities, transportation know-how, assets and customer bases that the Company and the Tender Offeror have each cultivated, the following will become possible: (i) increasing the number of projects and the project pipeline through coordinated sales activities directed at shippers;

(ii) increasing the possibility of participating in large-scale projects and partnerships with other companies that would be difficult to undertake independently; and (iii) reducing maintenance and operating costs through the standardization of vessel management.

Furthermore, with regard to environmentally responsive measures, the Tender Offeror believes that, by combining and mutually utilizing the technical knowledge and know-how of both companies regarding next-generation vessels, such as methanol dual-fuel vessels and ammonia dual-fuel vessels, it will be possible to improve investment efficiency and accelerate the capture of demand for environmentally responsive transportation. Specifically, the following are anticipated: (i) reducing initial investment amounts through the joint development of next-generation fuel vessels and the consolidation of specifications and technical knowledge; and (ii) increasing orders for projects from shippers that place importance on environmental responsiveness. Environmentally responsive investment is a new theme for the industry as a whole and is an area requiring significant investment. Therefore, the Tender Offeror believes that, by combining the knowledge of both companies, they will be able to promote investments in next-generation vessels more efficiently and reliably.

(c) Strengthening logistics infrastructure and next-generation marine transportation infrastructure, starting with domestic coastal shipping business

The Tender Offeror recognizes that the Company has accumulated a long track record in the transportation of steel raw materials, energy, resources and other cargoes and also has a leading business foundation in Japan’s domestic coastal shipping business. In particular, the domestic coastal shipping business serves as important logistics infrastructure supporting Japan’s key industries, and the Tender Offeror understands that the Company has accumulated, through long-term business relationships with its customers, high-quality transportation capabilities, stable operational capabilities and operational know-how enabling it to respond promptly to customer needs.

On the other hand, the Tender Offeror Group possesses a wide range of logistics capabilities, including not only a maritime transportation network focused on international transportation but also land transportation and warehouse management, and has been meeting the diverse logistics needs of its customers both domestically and internationally. The Tender Offeror believes that, by combining the logistics functions of the Tender Offeror Group, including international transportation, land transportation and warehouse management, with the Company’s domestic coastal shipping business foundation, it will be possible to further strengthen the capability to provide comprehensive logistics services that integrally support customers’ entire supply chains, from international transportation through domestic coastal transportation, domestic delivery and storage. The Tender Offeror also recognizes that the relationships of trust with customers that the Company has cultivated through its domestic coastal shipping business, as well as its operational know-how rooted in on-site operations, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the Tender Offeror believes that the domestic coastal shipping business plays an important role from the perspectives of implementing next-generation technologies and developing maritime professionals. Domestic vessels can readily be used, under a stable domestic operating environment, as a venue for the phased introduction and verification of autonomous vessels, environmentally responsive vessels, energy-saving technologies and digital technologies, and may serve as a platform for demonstrations and the accumulation of know-how with a view to future deployment on oceangoing vessels. Furthermore, the Tender Offeror believes that on-site experience in operations management, vessel management, safety management and other areas within the domestic coastal shipping business is also useful for the development of maritime professionals and the transfer of skills, and will contribute to enhancing the vessel operation capabilities and safety management capabilities of the Tender Offeror Group as a whole.

(d) Optimal placement of personnel, including overseas locations, and promoting recruitment of personnel for growth through mutual deployment of personnel

In recent years, seafarer shortages have become a serious problem in the maritime industry, and with this trend expected to continue, the importance of stably securing and effectively utilizing seafarers is expected to increase further, not only to achieve sustainable transportation but also to ensure growth in new business fields going forward. In addition, in order to respond to changes in demand locations accompanying economic growth in India, Southeast Asia and other regions, the rapid and efficient establishment of overseas bases is also required.

Under such a business environment, the Tender Offeror envisages utilizing the human resource bases of both companies, including their seafarers, in a mutually complementary manner to achieve optimal personnel deployment, including at domestic and overseas locations, and to strengthen the securing of personnel required in growth areas, while also believing that it will be possible to improve the skills and operational efficiency of the personnel of both companies.

Based on the above understanding, from September 2025 to mid-October of the same year, the Tender Offeror conducted an initial review regarding making the Company a consolidated subsidiary, including the possibility of taking the Company Shares private, as part of a strategy to maximize the corporate value of the Tender Offeror and the Company, particularly in the Tender Offeror's dry bulk business. Subsequently, on October 28, 2025, the Tender Offeror made a preliminary approach to Nippon Steel, the largest shareholder of the Company, regarding the Transactions, and commenced discussions, following which the Tender Offeror confirmed that Nippon Steel had an interest in the Transactions and in selling a certain portion of its interest in the Company through the Transactions. Thereafter, from early December 2025 to late January 2026, the Tender Offeror exchanged views with Nippon Steel on the overall framework of the Transactions and the management structure and business operations of the Company following the Transactions. During these discussions, the Tender Offeror confirmed that Nippon Steel also believed that making the Company a consolidated subsidiary of the Tender Offeror Group through the Transactions would contribute to the enhancement of the corporate value of the Company through the realization of the synergies described in (a) through (d) above. Meanwhile, the Tender Offeror confirmed Nippon Steel's intention to maintain a certain level of capital ties with the Company and to maintain its business relationships and exchanges with the Company, taking into consideration the background that the Company had developed and grown through its business relationship with Nippon Steel involving the continuous provision of ocean transportation services and its personnel relationship with Nippon Steel involving the dispatch of directors and other senior personnel, and the Tender Offeror has agreed to Nippon Steel's continued holding of the Company Shares.

Based on this background, from the perspective of maintaining Nippon Steel's interest in the management and business performance of the Company at or above a certain level and establishing a cooperative relationship for improving the Company's business performance, the Tender Offeror determined that ensuring a ratio that would enable the Company to be an equity-method affiliate of Nippon Steel would contribute to the enhancement of the corporate value of the Company, and ultimately decided to set the Shareholding Ratio of Nippon Steel in the Company after the Squeeze-Out Procedures at approximately 15% to 20%, and submitted a letter of intent regarding the Transactions (the "Letter of Intent") to the Company on January 30, 2026.

Furthermore, in proceeding with a full-scale review of the Transactions, the Tender Offeror appointed (i) Nagashima Ohno & Tsunematsu as legal adviser independent of the Tender Offeror Group, the Company Group and Nippon Steel, on October 9, 2025, and (ii) Nomura Securities Co., Ltd. ("Nomura Securities") as financial adviser and third-party valuation institution independent of the Tender Offeror Group, the Company Group and Nippon Steel, on January 20, 2026, and has proceeded with the full-scale review of the Transactions. In addition, on February 17, 2026, the Company established the Special Committee (for the composition of the Special Committee, the specific matters referred to such Committee, the background of its deliberations, and the details of its decision, please see "(D) Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Dual Tender Offers" below) and established a structure to commence a full-scale review of the Transactions, and the Tender Offeror received a notice from the Company that it would engage in discussions and negotiations towards the implementation of the Transactions. Thereafter, the Tender Offeror conducted due diligence on the Company from mid-March to late June 2026.

Furthermore, after submitting the Letter of Intent to the Company, the Tender Offeror engaged in discussions with

Nippon Steel from early February 2026 to early July 2026 regarding the method of the Transactions. The Tender Offeror and Nippon Steel initially discussed a method under which, following the privatization of the Company, the Company would acquire its own shares from Nippon Steel through an off-market share repurchase because, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price, compared to the case where Nippon Steel tenders its Company Shares in the Tender Offer, it would be possible to provide the Company's general shareholders with an opportunity to sell their Company Shares at a higher price through the Tender Offer, thereby serving the interests of the Company's general shareholders. However, taking into account that, if the Tender Offer for Share Repurchase were not conducted as part of the Transactions and the Company instead acquired its own shares from Nippon Steel through an off-market share repurchase following the privatization, the percentage of dividend income eligible for exclusion from taxable income under the dividends received deduction regime prescribed in the Corporation Tax Act applicable to Nippon Steel could be reduced depending on the number of Company Shares tendered in the Tender Offer and the share consolidation ratio in the subsequent share consolidation, the Tender Offeror and Nippon Steel also discussed a method under which, following the successful completion of the Tender Offer, the Company would conduct the Tender Offer for Share Repurchase for the purpose of acquiring the Shares to Be Tendered for Share Repurchase. In the course of these discussions, the Tender Offeror determined that the method under which a tender offer for the Company Shares by the Tender Offeror and a Tender Offer for Share Repurchase by the Company would both be conducted, with the Tender Offer Price and the Tender Offer Price for Share Repurchase being set at different amounts, is reasonable because, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer, it is possible to provide general shareholders of the Company with an opportunity to sell their shares at a higher price through the Tender Offer, which serves the interests of general shareholders of the Company. The Tender Offeror also determined that, if the Tender Offer for Share Repurchase were not conducted as part of the Transactions and the Company instead acquired its own shares from Nippon Steel through an off-market share repurchase following the privatization, the percentage of dividend income eligible for exclusion from taxable income under the dividends received deduction regime prescribed in the Corporation Tax Act applicable to Nippon Steel could, as described above, be reduced depending on the number of Company Shares tendered in the Tender Offer and the share consolidation ratio in the subsequent share consolidation, whereas conducting the Tender Offer for Share Repurchase would enable the price at which the Company acquires its own shares held by Nippon Steel to be set at a lower level and thereby allow the Tender Offer Price to be set at a higher level, providing the Company's general shareholders with an opportunity to sell their Company Shares at a higher price through the Tender Offer. Accordingly, the Tender Offeror determined that it was reasonable, in addition to the Tender Offer by the Tender Offeror for the Company Shares, for the Company to conduct the Tender Offer for Share Repurchase, with the Tender Offer Price and the Tender Offer Price for Share Repurchase set at different amounts, and therefore considered adopting a structure in which the Tender Offer and the Tender Offer for Share Repurchase would be conducted together.

On that basis, the Tender Offeror engaged in repeated discussions and negotiations with the Company regarding the terms of the Transactions, including the Tender Offer Price, and, after comprehensively taking into account the information obtained through the due diligence conducted by the Tender Offeror with respect to the Company and, on the premise of such information, an initial analysis of the value of the Company Shares conducted by Nomura Securities, the financial adviser to the Tender Offeror, and other factors, on June 29, 2026, submitted to the Company and the Special Committee a proposal letter stating that (i) it was expected that a structure would be adopted in which the Tender Offer and the Tender Offer for Share Repurchase would be conducted together, (ii) the Tender Offer Price would be JPY 8,000 (representing a premium of 20.12% (rounded to the nearest second decimal place; the same shall apply hereinafter in calculating premium rates) over the closing price of JPY 6,660 on June 26, 2026, the business day immediately preceding the proposal date) and (iii) the Tender Offer Price for Share Repurchase was undetermined as of the time of the submission of such proposal letter (the "First Proposal Letter"). In response, on July 7, 2026, the Tender Offeror received from the Company and the Special Committee a written request to reconsider the terms of the proposal set forth in the First Proposal Letter, including the Tender Offer Price, on the grounds that, as a result of comprehensive consideration based on (a) the results of the discounted cash flow analysis (the "DCF Analysis") of the value of the Company Shares conducted by the Company's financial adviser and the Special Committee's financial adviser (including consideration of the reflection of gains on sales of vessels, unrealized gains and asset values of existing vessels, and the value inherent in the vessel portfolio in the value of the Company Shares), as well as whether the Special Committee's third-party valuation institution would be able to issue a fairness opinion, (b) trends in the market price of the Company Shares, (c) a comparison with the value expected to be realized if the Company were dissolved and liquidated at the present time (the "Liquidation Value") (including consideration of the feasibility of the dissolution and liquidation of the Company), (d) premium levels in comparable transactions, specifically, successful tender offer transactions announced between June 28, 2019 (the date on which the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines (the "M&A Guidelines")) and May 18, 2026, involving the take-private of listed companies that were equity-method affiliates, and (e) the expected synergies to be realized through the Transactions. The Tender Offeror was also informed that, with respect to the minimum number of shares to be purchased, the Company and the Special Committee considered that, at that time, they could not conclude that a majority of minority ("MoM") condition was unnecessary.

In response to such request, on July 10, 2026, the Tender Offeror submitted to the Company and the Special Committee a letter proposing that the Tender Offer Price be set at JPY 8,600 (representing a premium of 26.10% over the closing price of JPY 6,820 on July 9, 2026, the business day immediately preceding the proposal date), the Tender Offer Price for Share Repurchase be set at JPY 6,289, and that the minimum number of shares to be purchased would remain unchanged from that set forth in the First Proposal Letter (the "Second Proposal Letter"). In response thereto, on July 16, 2026, the Tender Offeror received from the Company and the Special Committee a written request to reconsider the terms of the proposal, on the grounds that, as a result of comprehensive consideration based on the matters described in (a) through (e) above, the Tender Offer Price set forth in the Second Proposal Letter could not be said to be fair to the general shareholders of the Company, and stating that, with respect to the minimum number of shares to be purchased, the Company and the Special Committee considered that, at that time, they could not conclude that a MoM condition was unnecessary.

In response to such request, on July 17, 2026, the Tender Offeror submitted to the Company and the Special Committee a letter proposing that the Tender Offer Price be set at JPY 9,300 (representing a premium of 32.10% over the closing price of JPY 7,040 on July 16, 2026, the business day immediately preceding the proposal date), the Tender Offer Price for Share Repurchase be set at JPY 6,774, and that the minimum number of shares to be purchased would remain unchanged from that set forth in the First Proposal Letter (the "Third Proposal Letter"). In response thereto, on July 21, 2026, the Tender Offeror received from the Company and the Special Committee a written request for reconsideration, on the grounds that, as a result of comprehensive consideration based on the matters described in (a) through (e) above, the Tender Offer Price set forth in the Third Proposal Letter could not be said to be fair to the general shareholders of the Company, and stating that, with respect to the minimum number of shares to be purchased, the Company and the Special Committee considered that, at that time, they could not conclude that a MoM condition was unnecessary.

In response to such request, on the same day, the Tender Offeror submitted to the Company and the Special Committee a final letter proposing that the Tender Offer Price be set at JPY 9,900 (representing a premium of 41.23% over the closing price of JPY 7,010 on July 17, 2026, the business day immediately preceding the proposal date), the Tender Offer Price for Share Repurchase be set at JPY 7,190, and that the minimum number of shares to be purchased would remain unchanged from that set forth in the First Proposal Letter (the "Fourth Proposal Letter"), stating that it would be extremely difficult to increase the price any further. In response thereto, on July 23, 2026, the Tender Offeror received a letter from the Company and the Special Committee stating that, while the Tender Offer Price set forth in the Fourth Proposal Letter could be evaluated positively to a certain extent as a result of comprehensive consideration based on the matters described in (a) through (e) above, (i) the Company and the Special Committee considered that a comprehensive assessment was necessary with respect to a MoM condition and, at that time, could not conclude that such condition was unnecessary, and (ii) because matters requiring confirmation remained in order to consider and determine whether the Transactions could be said to be fair to the general shareholders of the Company, the Company requested reconsideration of the Tender Offer Price and a response regarding the status of discussions with Nippon Steel concerning Tender Offer Price for Share Repurchase

Meanwhile, the Tender Offeror was also proceeding in parallel with discussions with Nippon Steel regarding the Tender Offer Price for Share Repurchase. On July 24, 2026, the Tender Offeror proposed to Nippon Steel that the Tender Offer Price be JPY 10,600 and the Tender Offer Price for Share Repurchase be JPY 7,676, and, on the same day, received notice from Nippon Steel that it would accept such proposal, subject to the approval of the Transactions at Nippon Steel's management meeting to be held on July 29, 2026.

Based on the foregoing, on July 25, 2026, stating that it would be extremely difficult to increase the price any further and as its final proposal, and on the premise that no MoM condition would be set for the minimum number of shares to be purchased, the Tender Offeror submitted to the Company and the Special Committee a letter proposing that the Tender Offer Price be JPY 10,600 (representing a premium of 44.02% over the closing price of JPY 7,360 on July 24, 2026, the business day immediately preceding the date of the proposal) and that the Tender Offer Price for Share Repurchase be JPY 7,676, and stating that such Tender Offer Price and Tender Offer Price for Share Repurchase had also been accepted by Nippon Steel, subject to the approval of the Transactions at Nippon Steel's management meeting to be held on July 29, 2026(the "Final Proposal Letter").

In response, on July 28, 2026, the Tender Offeror received from the Company and the Special Committee a letter stating that, as a result of comprehensive consideration based on the matters described in (a) through (e) above, the Special Committee, having received the Final Proposal Letter, was scheduled to submit to the Board of Directors of the Company, on July 30, 2026, its written report concluding that the Transactions would be fair to the Company's general shareholders, and that the Board of Directors of the Company, while giving the utmost respect to the contents of such report, was scheduled to adopt a resolution on July 31, 2026 expressing its opinion with respect to the Tender Offer (the "July 28 Response Letter").

Thereafter, on July 29, 2026, the Tender Offeror received notice from Nippon Steel that the Transactions, including setting the Tender Offer Price at JPY 10,600 and the Tender Offer Price for Share Repurchase at JPY 7,676, had been approved at the management meeting of Nippon Steel held on the same day, and the Tender Offeror informed the Company of such fact.

Thereafter, on July 30, 2026, the Tender Offeror received notice from Nippon Steel that the Transactions, including setting the Tender Offer Price at JPY 10,600 and the Tender Offer Price for Share Repurchase at JPY 7,676, had been approved at the management meeting of Nippon Steel held on July 29, 2026, and the Tender Offeror informed the Company of such fact.

Thereafter, on July 30, 2026, the Tender Offeror received notice from the Company and the Special Committee confirming that, in light of stock market trends and other circumstances as of that date, there had been no change to the views expressed in the July 28 Response Letter and that the Special Committee was scheduled to submit to the Board of Directors of the Company, on July 31, 2026, its written report concluding that the Transactions would be fair to the Company's general shareholders.

Following the above negotiations, on July 31, 2026, the Tender Offeror decided to implement the Transactions with the Tender Offer Price set at JPY 10,600 and the Tender Offer Price for Share Repurchase set at JPY 7,676.

The Tender Offer Price and the Tender Offer Price for Share Repurchase are based on the assumption that the Company will not pay an interim dividend or a year-end dividend for the fiscal year ending March 2027. In addition, the Tender Offer Price for Share Repurchase is an amount set, taking into account the fact that the dividends received deduction with respect to deemed dividends is applicable pursuant to the Corporation Tax Act, so that (i) the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would be equal to (ii) the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer at the Tender Offer Price.

Following the above discussions and negotiations with Nippon Steel and the Company, the Tender Offeror resolved at its board of directors meeting on July 31, 2026, to execute the Shareholders' Agreement and the Basic Agreement with Nippon Steel, to execute the Tender Offer Agreement with the Company, and to conduct the Tender Offer as part of the Transactions.

(ii) Management Policy after the Dual Tender Offers

The Tender Offeror and the Company believe that, through the Transactions, by combining the Company's expertise and track record, which have long supported mainly the ocean transportation of steel raw materials and steel products, with the Tender Offeror's global network, technological capabilities and broad business portfolio covering areas such as the energy sector, thereby strategically leveraging the strengths of the Tender Offeror and the Company, they will be able to continue to provide competitive transportation services as an industrial carrier through the maintenance and improvement of safe and high-quality transportation services, the further enhancement of cost competitiveness, the establishment of steelmaking supply chains in overseas growth markets, and responses to decarbonization in the steelmaking process, and will also be able to further enhance the Company's corporate value and promote its development as part of a group of dry bulk operators with high competitiveness in the global market, in which the Tender Offeror and the Company operate as one.

As described in "(A) Overview of the Tender Offer" above, after the successful completion of the Dual Tender Offers, the Tender Offeror intends, through the Share Consolidation, to ultimately set the respective Shareholding Ratios of the Tender Offeror and Nippon Steel in the Company at 83.33% and 16.67%, respectively, thereby making the Company a consolidated subsidiary of the Tender Offeror. In addition, as described in "(A) Overview of the Tender Offer" above, the Tender Offeror believes that maintaining the Shareholding Ratios will contribute to the enhancement of the corporate value of the Company, and, therefore, as of today, has no specific plan to additionally acquire the Company Shares after the successful completion of the Dual Tender Offers. The Tender Offeror and Nippon Steel have agreed in the Shareholders' Agreement that, after the Share Consolidation takes effect, the number of directors of the Company shall be such number from five (5) to seven (7) as the Tender Offeror determines from time to time, that Nippon Steel shall have the right to nominate such number of directors as is obtained by multiplying the total number of directors of the Company by Nippon Steel's voting rights ratio (if a fraction arises, rounding it to the nearest whole number at the first decimal place, and if the resulting number is less than one (1), the number shall be one (1)), and that the Tender Offeror shall have the right to nominate the remaining directors.

The Tender Offeror and the Company contemplate that, with respect to the vessels owned or operated by the Company Group, even after the Transactions, the quality and safety of the transportation services that the Company Group has provided to date will be maintained, and the stable provision of services will be continued. In addition, the Tender Offeror and the Company believe that maintaining and developing the value of the "U" brand based on the sense of security and trust cultivated by the Company will contribute to the further enhancement of the corporate value of the Company Group.

The Tender Offeror contemplates that, as the management policy for the Company after the completion of the Transactions, the Company will be operated in a manner that takes into account the personnel, expertise and organizational strengths that support the business operations of the Company Group. In addition, as a general rule, the Tender Offeror expects to maintain the current employment conditions of the employees of the Company Group after the Transactions, and does not expect any substantive reduction in the treatment or employment conditions of employees set forth in the current work rules, the Article 36 Agreement (saburoku kyotei), etc. Furthermore, the Tender Offeror intends to enhance the medium- to long-term corporate value of the Tender Offeror and the Company Group through the utilization of the human resource bases of both parties, while respecting the autonomous management of the Company Group, within the framework of the Tender Offeror Group's governance.

(C) Decision-Making Process and Reasons Leading to the Company's Support for the Tender Offer

(i) Background to the Establishment of an Internal Framework

As described in "(i) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers" under "(B) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers, and Management Policy After Dual Tender Offers" above, the Company received the Letter of Intent from the Tender Offeror on January 30, 2026. In response, in order to ensure the fairness of the Tender Offer Price and other fairness of the Transactions, including the Tender Offer, the Company appointed Tokyo International Law Office ("TKI") on February 3, 2026 as a legal advisor independent of the Company Group, the Tender Offeror Group, Nippon Steel and the success or failure of the Transactions. The Company also appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") on February 17, 2026 as a financial advisor and third party valuation institution independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions.

Furthermore, given that the Transactions constitute an acquisition of an equity-method affiliate by a major shareholder of the Company, and that structural conflicts of interest and information asymmetry issues exist between the Tender Offeror and the Company or its general shareholders, the Company acted with the utmost caution in making decisions regarding the Transactions. For the purpose of eliminating any potential arbitrariness and conflicts of interest in the decision-making process of the Company's board of directors and ensuring its fairness, the Company, by resolution of its board of directors meeting held on February 17, 2026, established the Special Committee consisting of four members: Mr. Setsu Onishi (outside director of the Company and independent director of the Company), Ms. Masako Yoshida (outside director of the Company and independent director of the Company), Mr. Keisuke Takegahara (outside director of the Company and independent director of the Company), and Ms. Riyo Kano (outside director of the Company and independent director of the Company), who are independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. On March 19, 2026, the Special Committee also decided to appoint Plutus Consulting Co., Ltd. ("Plutus") as the Special Committee's own third-party valuation institution, based on its expertise and track record, as well as its independence from the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. In addition, as described in "(F) Establishment of an Independent Internal Framework by the Company" under "(3) Measures to Ensure the Fairness of Dual Tender Offers" below, the Company has established an internal system to consider, negotiate, and make decisions regarding the Tender Offer from a standpoint independent of the Company Group, the Tender Offeror Group and Nippon Steel (including the scope of the Company's officers and employees involved in the consideration, negotiation, and decision-making of the Tender Offer and their duties) and has proceeded with its consideration.

(ii) Background of Considerations and Negotiations

After the establishment of the system described above, the Company and the Special Committee, with the advice of Mizuho Securities and TKI, engaged in discussions and negotiations with the Tender Offeror through Mizuho Securities, the Company's financial advisor, regarding the terms and conditions of the Transactions, including the Tender Offer Price.

Specifically, on June 29, 2026, the Company and the Special Committee received the Tender Offeror's initial proposal regarding the Transactions. The proposal contemplated (i) a Tender Offer Price of JPY 8,000, representing a premium of 20.12% over the closing price of the Company Shares of JPY 6,660 on June 26, 2026, the business day immediately preceding the date of the proposal, (ii) that the Tender Offer Price for Share Repurchase had not yet been determined as of the date of the proposal, and (iii) that the minimum number of shares to be purchased would be the number of shares obtained by multiplying 100 shares (one trading unit of the Company Shares) by the number of voting rights calculated by deducting the voting rights attached to the Company Shares owned by the Tender Offeror and Nippon Steel from two-thirds of the voting rights attached to the number of shares outstanding after deducting treasury shares held by the Company from the total number of issued shares of the Company.

Upon receipt of the proposal, the Company and the Special Committee comprehensively considered the Tender Offer Price in light of, among other things: (a) the results of the DCF Analyses of the value of the Company Shares prepared by Mizuho Securities and Plutus including consideration of the reflection in the share value of gains on vessel disposals, unrealized gains and asset values of existing vessels, and the value inherent in the Company's vessel portfolio, as well as whether Plutus could issue a fairness opinion; (b) the historical market price trends of the Company Shares; (c) a comparison of the Liquidation Value, including an assessment of the feasibility of such dissolution and liquidation; (d) the premium levels observed in comparable transactions, specifically successful tender offer transactions announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, and May 18, 2026, involving the going-private of listed equity-method affiliates; and (e) the synergies expected to be realized through the Transactions.

As a result, the Company and the Special Committee concluded that the proposed terms were insufficient to establish that the Transactions would be fair to the Company's general shareholders. Accordingly, on July 7, 2026, they requested that the Tender Offeror reconsider its proposal, including the Tender Offer Price.

In addition, with respect to the minimum number of shares to be purchased, the Company and the Special Committee noted that a comprehensive assessment based on the factors described in (a) through (e) above was necessary in determining whether MoM condition should be imposed. For this purpose, the MoM threshold means more than a majority of the 11,379,482 shares remaining after deducting the 4,324,725 Company shares held by the Tender Offeror and the 7,861,280 Company shares held by Nippon Steel from the Base Number of Shares (23,565,487 shares), namely, more than 5,689,742 shares. Accordingly, they stated that, at that time, they could not conclude that a MoM condition was unnecessary.

Thereafter, on July 10, 2026, the Company and the Special Committee received the Tender Offeror's second proposal, pursuant to which (i) the Tender Offer Price would be increased to JPY 8,600, representing a premium of 26.10% over the closing price of the Company Shares of JPY 6,820 on July 9, 2026, the business day immediately preceding the date of the proposal, (ii) the Tender Offer Price for Share Repurchase would be JPY 6,289, and (iii) the minimum number of shares to be purchased would remain unchanged from that set forth in the initial proposal.

Upon receipt of the second proposal, the Company and the Special Committee comprehensively considered the proposed terms in light of the factors described in (a) through (e) above. As a result, they concluded that the proposed terms were insufficient to establish that the Transactions would be fair to the Company's general shareholders. Accordingly, on July 16, 2026, they requested that the Tender Offeror reconsider its proposal, including the Tender Offer Price. They also reiterated that, with respect to the minimum number of shares to be purchased, they could not conclude at that time that a MoM condition was unnecessary.

Thereafter, on July 17, 2026, the Company and the Special Committee received the Tender Offeror's third proposal, pursuant to which (i) the Tender Offer Price would be increased to JPY 9,300, representing a premium of 32.10% over the closing price of the Company Shares of JPY 7,040 on July 16, 2026, the business day immediately preceding the date of the proposal, (ii) the Tender Offer Price for Share Repurchase would be JPY 6,774, and (iii) the minimum number of shares to be purchased would remain unchanged from that set forth in the initial proposal.

Upon receipt of the third proposal, the Company and the Special Committee comprehensively considered the proposed terms in light of the factors described in (a) through (e) above. As a result, they concluded that the proposed terms were insufficient to establish that the Transactions would be fair to the Company's general shareholders. Accordingly, on July 21, 2026, they requested that the Tender Offeror reconsider its proposal, including the Tender Offer Price. They also reiterated that, with respect to the minimum number of shares to be purchased, they could not conclude at that time that a MoM condition was unnecessary.

Thereafter, on the same date, the Company and the Special Committee received the Tender Offeror's fourth proposal, which the Tender Offeror stated was its final proposal on the basis that any further increase in the offer price would be extremely difficult. Under the proposal, (i) the Tender Offer Price would be increased to JPY 9,900, representing a premium of 41.23% over the closing price of the Company Shares of JPY 7,010 on July 17, 2026, the business day immediately preceding the date of the proposal, (ii) the Tender Offer Price for Share Repurchase would be JPY 7,190, and (iii) the minimum number of shares to be purchased would remain unchanged from that set forth in the initial proposal.

Upon receipt of the fourth proposal, the Company and the Special Committee comprehensively considered the proposed terms in light of the factors described in (a) through (e) above. As a result, although they considered that the proposal could be evaluated favorably to a certain extent, they determined that further consideration was necessary because (i) they could not conclude at that time that a MoM condition was unnecessary, and (ii) certain matters requiring further confirmation remained in order to determine whether the Transactions would be fair to the Company's general shareholders.

Accordingly, on July 23, 2026, the Company and the Special Committee requested that the Tender Offeror reconsider its proposal, including the Tender Offer Price.

Thereafter, on July 25, 2026, the Company and the Special Committee received the Tender Offeror's fifth proposal. The Tender Offeror stated that any further increase in the offer price would be extremely difficult and, as its final proposal, proposed that, on the premise that no MoM condition would be imposed with respect to the minimum number of shares to be purchased, (i) the Tender Offer Price would be JPY 10,600, representing a premium of 44.02% over the closing price of the Company Shares of JPY 7,360 on July 24, 2026, the business day immediately preceding the date of the proposal, and (ii) the Tender Offer Price for Share Repurchase would be JPY 7,676.

Upon receipt of the fifth proposal, the Company and the Special Committee comprehensively considered the proposed terms in light of the factors described in (a) through (e) above. As a result, on July 28, 2026, the Company informed the Tender Offeror that the Special Committee was scheduled to submit the Special Committee's report to the Company's board of directors on July 30, 2026, expressing its opinion that the Transactions would be fair to its general shareholders. The Company also informed the Tender Offeror that, giving the utmost respect to the contents of the Special Committee's report, its board of directors was scheduled to resolve, at the board meeting to be held on July 31, 2026, to express its opinion with respect to the Tender Offer.

(iii) Details of the Company's Decision-Making

On that basis, at the board of directors meeting held on July 31, 2026, the Company carefully discussed and considered the Transactions from the perspectives of whether the Transactions would enhance corporate value and whether the terms and conditions of the Transactions are appropriate, while taking into account the details of the share valuation report obtained from Mizuho Securities as of July 30, 2026 (the "Company Share Valuation Report (Mizuho Securities)"), the details of the share valuation report submitted by Plutus through the Special Committee as of July 30, 2026 (the "Special Committee Share Valuation Report (Plutus)"), a fairness opinion (the "Fairness Opinion"), and legal advice from TKI, the legal advisor, regarding points to note in making decisions on the Transactions including the Tender Offer, and giving the utmost respect to the contents of the report submitted by the Special Committee as of July 31, 2026 (the "Special Committee Report").

As a result, the Company has determined that the Transactions will contribute to the enhancement of the Company's corporate value from the following perspectives. Specifically, the Company determined that the Transactions will contribute to the enhancement of the Company's corporate value because it believes that the following synergies (a) through (d) can be realized through the Transactions.

(a) Improvement in vessel deployment efficiency and reduction in costs through expansion of scale

The Company is a global dry bulk shipping company with a fleet of 211 ships under group operation (as of March, 2026), and a transportation network connecting locations around the world. Furthermore, during the previous medium-term business plan period (fiscal years 2018 through 2022), the Company took resolute steps to carry out structural reforms such as by selling high-cost vessels and implementing early termination of contracts for time charter vessels, while promoting fleet development centering on newly built vessels, including iron ore carriers of the 400,000-ton class, and also planned replacement investments for vessels in its existing businesses in the Current Medium-term Business Plan, and the Company has been continuously focusing on maintaining and expanding a fleet with cost competitiveness and high quality. By combining the Company's fleet with the Tender Offeror's fleet of 414 ships in its dry bulk business (as of March 2026), it is possible to pursue economies of scale in vessel deployment optimization and procurement of fuel, vessels, funds, etc., in addition to its existing business activities, by building a stronger transportation network based on a larger fleet. Specifically, the following could be examined: (i) improvement in operational efficiency through optimal deployment considering the overall operated vessels and shipper portfolio of both companies; (ii) further acquisition of projects through enhanced proposal capabilities to customers by strengthening the global transportation network; (iii) cost reduction through bulk procurement and review of terms for fuel, marine supplies, repairs, insurance, etc., and cross-functional cost reduction activities; and (iv) improvement in financing terms through enhanced creditworthiness.

Although no specific decisions have been made at this time, it would be possible to pursue cost benefits by partially introducing shared services for both companies' corporate departments. In this regard, it can receive the benefit of the Tender Offeror's knowledge and existing frameworks based on its prior examples.

(b) Capturing new transportation demand resulting from decarbonization

While the Company has established the ability to provide a high degree of expertise capable of flexibly responding to customer needs, through its track record of handling ocean transport of a wide range of cargoes, including steel raw materials, over many years, and high-quality ocean transport services, the Company has actively promoted environmental investments in order to respond to the demand for decarbonization that is increasing from customers and society.

The Company promotes environmental investments, including methanol DF vessels and is advancing the expansion of its transportation business in the next-generation energy field, such as ammonia, hydrogen, etc., in order to realize its 2030 vision of becoming "an indispensable presence for clean and sustainable marine transportation." Specifically, the Company recognizes that it has steadily implemented measures in the decarbonization and next-generation energy field, including establishing the "Next-Generation Fuel Project Team" and entering into contracts for building Liquefied Petroleum Gas, LPG dual-fuel VLGCs (an abbreviation for Very Large Gas Carrier, referring to large LPG carriers) capable of carrying ammonia.

Meanwhile, the Company recognizes that the Tender Offeror has also promoted environmental investments to meet society's demand for decarbonization and changing market needs. It positioned participation in the hydrogen and ammonia value chain as one of its new businesses and is aiming to expand its business in the next-generation energy field, leveraging the transportation expertise and know-how accumulated in its energy business.

In the field of transporting decarbonization-related cargoes - such as reduced iron, scrap, liquefied CO_2, ammonia, and hydrogen - while the market is expected to grow, the Company believes that advanced technical capabilities, transportation know-how, dedicated assets, and a customer base will be the sources of its competitive advantage. In this field, it would be possible, through the combination of the technical capabilities, transportation know-how, assets, and customer bases that the Company and the Tender Offeror have each cultivated, to achieve: (i) increase in the number of projects and project pipeline through coordinated sales to shippers; (ii) increase in the possibility of participating in large-scale projects and partnerships with other companies that would be difficult to undertake independently; and (iii) reduction in maintenance and operating costs through the standardization of vessel management.

Furthermore, with regard to environmental responsiveness, by combining and mutually leveraging both companies' technical expertise and know-how regarding next-generation vessels - such as methanol DF vessels and ammonia DF vessels - it will be possible to improve investment efficiency and accelerate the capture of demand driven by environmental responsiveness. Specifically, the following are anticipated: (i) compression of initial investment amounts through joint development of next-generation fuel vessels and consolidation of specifications and technical knowledge; and (ii) increase in orders for contracts from shippers that emphasize environmental responsiveness. Environmental investments are a relatively new theme for the industry as a whole, and it is an area that requires significant investment. Therefore, by combining the expertise of both parties it will be possible to promote investment in next-generation vessels more efficiently and reliably.

(c) Strengthening logistics infrastructure and next-generation marine transportation infrastructure, starting with domestic coastal shipping business

The Company has not only built a long track record in the transportation of steel raw materials, energy, and resources, but also possesses one of the strongest operational foundations in the domestic coastal shipping business.

In particular, the domestic coastal shipping business serves as a vital logistics infrastructure supporting Japan's key industries, and the Company has, through long-term business relationships with its customers, accumulated a high standard of transportation quality, stable operational capabilities, and operational know-how enabling it to respond promptly to customer needs.

On the other hand, the Tender Offeror Group possesses a wide range of logistics capabilities - including not only a maritime transport network focused on international transportation but also land transportation and warehouse management - and the Company recognizes that it has been meeting the diverse logistics needs of its customers both domestically and internationally. By integrating the logistics functions of the Tender Offeror Group, including international transportation, land transportation, and warehouse management, with the Company's domestic coastal shipping business infrastructure, it will be able to further strengthen its ability to provide comprehensive logistics services that support the entire supply chain in an integrated manner, from international transportation to domestic transportation, domestic delivery, and warehousing. The relationships of trust with customers that the Company has cultivated through its domestic coastal shipping business, as well as its operational know-how rooted in the field, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the domestic coastal shipping business plays an important role from the perspectives of implementing next-generation technologies and developing maritime professionals. Domestic vessels can easily serve as a venue for the phased introduction and verification of autonomous vessels, environmentally friendly vessels, energy-saving technologies, and digital technologies within a stable domestic operating environment, and can thus serve as a platform for demonstration and the accumulation of know-how with a view to future deployment on international vessels. Furthermore, on-the-job experience in areas such as operations management, vessel management, and safety management within the domestic coastal shipping business is valuable for the development of maritime professionals and the transfer of skills, and will contribute to enhancing the vessel operations and safety management capabilities of the Tender Offeror Group as a whole.

(d) Optimal placement of personnel, including overseas locations, and promoting recruitment of personnel for growth through mutual deployment of personnel

In recent years, crew shortages have become a serious problem in the maritime industry, and with this trend expected to continue, the importance of ensuring stability and effective utilization of crew has been increasing further, not only for the realization of sustainable transportation but also for ensuring growth in new business fields going forward. In addition, in order to respond to changes in demand locations accompanying economic growth in India and Southeast Asia, etc., prompt and efficient development of overseas bases is also required.

Under such a business environment, by utilizing the human resources bases of both companies including their crews in a complementary manner, optimal deployment, including domestic and overseas locations, and strengthening of personnel recruitment necessary for growth areas can be achieved. At the same time, improvement in the skills and operational efficiency of personnel of both companies can be pursued.

As a result of discussions between the Tender Offeror and the Company, the Tender Offeror and the Company have recognized the disadvantages associated with taking the Company Shares private as follows.

Specifically, as disadvantages associated with delisting, it is generally cited that it will no longer be possible to raise funds from the capital market, and that the benefits of being a listed company, such as obtaining social credibility from the outside and maintaining name recognition, can no longer be enjoyed. However, for each item, the Tender Offeror believes that the likelihood of such disadvantages arising from the execution of the Transactions is low, and their impact will be limited for the following reasons:

(a) Employees (recruitment, employee motivation, etc.)

The Tender Offeror believes that the Company's social credibility and name recognition will not be lost due to delisting, as the Company has accumulated high social credibility and name recognition through its business operations to date, and both the Tender Offeror and Nippon Steel, who will become shareholders after taking the

Company private, also have reasonably high name recognition and creditworthiness. Rather, through this transaction, as the Company and the Tender Offeror unite as one to maintain and improve competitiveness both domestically and overseas, the Tender Offeror considers it possible to pursue further strengthening of recruitment capabilities and enhancement of employee motivation.

(b) Business partners

As a premise, regarding Nippon Steel, a key customer of the Company, the Tender Offeror has confirmed its intention to maintain a certain level of capital relationship with the Company in the future and to maintain its business relationship and communication with the Company. On top of that, with respect to business partners other than Nippon Steel as well, the Company has already established sufficient trustful relationships, and the reason why each business partner conducts business with the Company is considered to be that the Company's services, creditworthiness, and track record are highly evaluated, rather than the fact that it is a listed company; therefore, the Tender Offeror believes that existing business relationships will not be lost due to delisting. Rather, through this transaction, as the Company and the Tender Offeror unite as one to maintain and improve competitiveness both domestically and overseas, the Tender Offeror considers it possible to further expand business partners and scale. In addition, from an external perspective, while the Company already has a certain capital relationship with the Tender Offeror and Nippon Steel, the Transactions are part of efforts to further strengthen three-party cooperation, and the Tender Offeror believes that external surprise will also be reduced to a certain extent.

(c) Financing

In financing, although direct financing such as public stock offerings will become unavailable, the Tender Offeror believes this will not pose a substantial disadvantage because the Company possesses a reasonable level of liquidity on hand and is expected to continue to be able to raise funds through indirect financing such as borrowings by leveraging its trustful relationships with existing financial institutions.

Note that even after the Transactions, funds necessary for business at the Company are expected to be raised by the Company itself in principle, and therefore it is assumed that good relationships with the Company's existing financial institutions can be maintained. Furthermore, depending on the Company's needs, it is assumed that the Tender Offeror's group financing system can also be utilized for the Company's funding needs.

In addition, based on the discussions and negotiations described above and taking into account points (i) through (viii) below, the Company has determined that the Tender Offer Price is appropriate and provides a reasonable opportunity for the Company's shareholders to sell their shares.

(i) According to the results of the valuation of the Company Shares set forth in the Company Share Valuation Report (Mizuho Securities) prepared by Mizuho Securities, as described in "(B) Receipt by the Company of a Share Valuation Report from an Independent Third-Party Valuation Institution" under "(3) Measures to Ensure the Fairness of the Dual Tender Offers" below, the Tender Offer Price exceeds the upper end of the valuation range derived from the market price reference method, falls within the valuation range derived from the DCF Analysis, and exceeds the median of such valuation range.

(ii) According to the results of the valuation of the Company Shares set forth in the Special Committee Share Valuation Report (Plutus) prepared by Plutus, as described in "(C) Receipt by the Special Committee of a Share Valuation Report and the Fairness Opinion from an Independent Third-Party Valuation Institution" under "(3) Measures to Ensure the Fairness of the Dual Tender Offers" below, the Tender Offer Price exceeds the upper end of the valuation range derived from the market price analysis and falls within the valuation range derived from the DCF Analysis. In addition, in the Fairness Opinion described in "(C) Receipt by the Special Committee of a Share Valuation Report and the Fairness Opinion from an Independent Third-Party Valuation Institution" under "(3) Measures to Ensure the Fairness of the Dual Tender Offers" below, Plutus has expressed the opinion that, in light of the results of the valuation of the Company Shares and other relevant matters, the Tender Offer Price of JPY 10,600 per share is fair, from a financial point of view, to the Company's general shareholders.

(iii) The Tender Offer Price exceeds JPY 8,350, the highest closing market price of the Company Shares since 2010, when Shinwa Kaiun Kaisha, Ltd. and Nittetsu Shipping Co., Ltd. merged and the resulting company changed its trade name to the current NS United Kaiun Kaisha, Ltd., which highest closing price was recorded on May 7, 2026.

(iv) In light of the unrealized gains on the vessel assets owned by the Company, the Company considered its Liquidation Value and determined that: (a) the Company intends to continue its business operations within the Tender Offeror Group following the Transactions, and the dissolution or liquidation of the Company is not contemplated; the Company has also confirmed with the Tender Offeror on multiple occasions that the Tender Offeror has no intention of dissolving or liquidating the Company following the Transactions; and, under the Shareholders Agreement, the dissolution or liquidation of the Company is reportedly a matter requiring the consent of Nippon Steel, and therefore the Tender Offeror cannot independently resolve to dissolve or liquidate the Company. Accordingly, the Company believes that there is only a low likelihood that the Liquidation Value per share would be realized. In addition, (b) solely for the purpose of examining the appropriateness of the terms and conditions of the Transactions, the Company estimated its Liquidation Value based on a number of assumptions and obtained an estimate under which the Liquidation Value per share was below the Tender Offer Price.

(v) The Tender Offer Price represents a price that includes the respective premiums set forth below over the closing price of the Company Shares on the Prime Market of the TSE on July 30, 2026, being the business day immediately preceding the date of announcement of the Tender Offer, and over the simple averages of the closing prices of the Company Shares during the respective periods ending on such date. The Company considers the level of such premiums to be comparable to those observed in similar transactions for the following reasons. Specifically, when compared with the average and median premium levels (Note 1), ranging from 48.43% to 58.45%, in 26 completed tender offer transactions announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and May 18, 2026, that contemplated the privatization of a listed equity-method affiliate, the premiums over the closing price on the base date and the simple averages of the closing prices for the most recent three-month and six-month periods ending on the reference date are below the premium levels in such comparable transactions, while the premium over the simple average of the closing prices for the most recent one-month period ending on the reference date falls within the range of the premium levels in such comparable transactions. In addition, when compared with the first-quartile premium levels (Note 2), ranging from 36.05% to 44.27%, the premiums over the closing price on the reference date and the simple average of the closing prices for the most recent six-month period ending on the reference date fall within the range of the premium levels in such comparable transactions, while the premiums over the simple averages of the closing prices for the most recent one-month and three-month periods ending on the reference date exceed the premium levels in such comparable transactions. Accordingly, the Company considers the premium represented by the Tender Offer Price to be at a level that compares favorably with those observed in similar transactions.

(Valuation Reference Date: July 30, 2026)

	Closing Price on Base Date	**Simple Average Closing Price for the Most Recent**		
		One-Month Period	**Three-Month Period**	**Six-Month Period**
Market Price	JPY 7,740	JPY 7,046	JPY 7,299	JPY 7,358
Premium	36.95%	50.44%	45.23%	44.06%

Note 1: The first quartile, median and average premium levels for the 26 transactions are as follows:

	Business Day Immediately Preceding the Announcement Date	Most Recent One-Month Period	Most Recent Three-Month Period	Most Recent Six-Month Period
		Ending on the Business Day Immediately Preceding the Announcement Date		
Median	48.43%	51.50%	53.33%	55.58%
Average	52.44%	54.93%	57.86%	58.45%
First Quartile	36.05%	42.46%	44.27%	38.63%

(vi) The Tender Offer Price represents premiums of 130.59%, 108.83% and 63.99%, respectively, over the simple averages of the closing prices of the Company Shares on the Prime Market of the TSE or the First Section of the TSE prior to the restructuring of the market segments of the TSE in April 2022 during the past five-year, three-year and one-year periods.

(vii) Nippon Steel, the largest shareholder of the Company, has entered into the Shareholders Agreement and the Basic Agreement with the Tender Offeror and intends to continue holding the Company Shares following the Transactions. Accordingly, its interests are not necessarily aligned with those of the Company's general shareholders. Nevertheless, because Nippon Steel is considered to be a party independent of the Tender Offeror, the negotiations between Nippon Steel and the Tender Offeror were expected to be conducted on an arm's-length basis. In addition, because the Tender Offer Price for Share Repurchase has been set so that the after-tax net proceeds per share to be received by Nippon Steel would be equivalent whether Nippon Steel were to tender its Company Shares in the Tender Offer at the Tender Offer Price or in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase, Nippon Steel is not considered to receive a materially greater benefit than the Company's general shareholders. Under these circumstances, the fact that Nippon Steel has indicated its intention to tender a portion of the Company Shares held by it (4,720,438 shares, Ownership Ratio: 20.03%) in the Tender Offer for Share Repurchase may be regarded as one of the factors supporting the fairness of the Tender Offer Price.

(viii) The Tender Offer Price was determined following discussions and negotiations conducted by the Company and the Special Committee with the Tender Offeror through Mizuho Securities, taking into account, among other matters, the results of the analyses of the value of the Company Shares conducted by Mizuho Securities and Plutus and the legal advice received from TKI. Through such discussions and negotiations, the Tender Offer Price was increased to a level at which the Tender Offeror repeatedly asserted that any further increase in the Tender Offer Price would be extremely difficult.

In addition, the Company also considered the structure of the Transactions and determined that the fairness and reasonableness of such structure had been ensured, taking into account, among other things, the following items (i) through (iii):

(i) Given that there is a limit on the aggregate purchase price by the Tender Offeror, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer, it would be possible to provide the Company's general shareholders with an opportunity to sell their Company Shares at a higher price through the Tender Offer, thereby serving the interests of the Company's general shareholders.

(ii) With respect to the Tender Offer Price for Share Repurchase, taking into account that the dividends received deduction with respect to deemed dividends prescribed in the Corporation Tax Act is expected to apply to corporate shareholders in the Tender Offer for Share Repurchase, the Tender Offer Price for Share Repurchase has been set so that the after-tax net proceeds per share that Nippon Steel, which is expected to tender its Company Shares in the Tender Offer for Share Repurchase, would receive if it tendered its Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would be equal to the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer at the Tender Offer Price. Accordingly, the Company has confirmed that the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would not exceed the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Company Shares in the Tender Offer at the Tender Offer Price, and that Nippon Steel would not derive any benefit compared to the Company's general shareholders.

(iii) The Company intends to fund the settlement and other expenses required for the Tender Offer for Share Repurchase primarily through its own funds and, to the extent necessary, through intragroup financing and borrowings from external financial institutions. Accordingly, the Company has found no particular reason to question the feasibility of the Tender Offer for Share Repurchase from the perspective of securing the necessary funds, nor does it believe that the Tender Offer for Share Repurchase would cause such deterioration in the Company's financial condition as would have a material adverse effect on the Company's corporate value.

Based on the above, the Company determined that the Transactions, including the Tender Offer, will contribute to the enhancement of the Company's corporate value, and that the terms and conditions of the Transactions, including the Tender Offer Price, will contribute to the common interests of shareholders, including the interests of general shareholders. Therefore, at the board of directors meeting held today, the Company resolved to express, as its opinion at present, its opinion in support of the Tender Offer if the Tender Offer is commenced, and to recommend that the Company's shareholders tender their shares in the Tender Offer.

In addition, the Tender Offer is scheduled to be commenced promptly upon the satisfaction or waiver by the Tender Offeror of the Conditions Precedent. As of today, although it is difficult for the Tender Offeror to precisely predict the period required for procedures at the authorities with jurisdiction over the clearance procedures, the Tender Offeror intends to aim to commence the Tender Offer from late November 2026 to late December 2026. For this reason, the Company has also resolved at the aforementioned board of directors meeting that upon the commencement of the Tender Offer, the Company will request the Special Committee to consider whether there are any changes to the opinion expressed by the Special Committee to the Company's board of directors as of July 31, 2026, and to state to the Company's board of directors to that effect if there are no changes, or its changed opinion if there are any changes, and that the Company will express its opinion regarding the Tender Offer again at the time the Tender Offer is commenced, based on such opinion of the Special Committee.

For details of the aforementioned resolution of the board of directors, please refer to "(G) Unanimous Approval by All Disinterested Directors and a No-Objection Opinion from All Disinterested Audit & Supervisory Board Members of the Company" under "(3) Measures to Ensure the Fairness of Dual Tender Offers" below.

(3) Measures to Ensure the Fairness of Dual Tender Offers

Since the Tender Offeror falls under the category of other affiliated company of the Company, considering that the "Matters to be Observed Concerning MBO, etc." prescribed in Article 441 of the Securities Listing Regulations of the TSE apply to the Tender Offer, and that there may be a potential structural conflict of interest, etc., the Tender Offeror and the Company implemented the following measures from (A) through (I), respectively, to ensure the fairness of the Transactions including the Tender Offer, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer, and avoiding conflicts of interest.

As of today, the Tender Offeror directly owns 4,324,725 Company Shares (Ownership Ratio: 18.35%), and when combined with the 45,800 Company Shares (Ownership Ratio: 0.19%) indirectly owned through Naikai Tug Boat, a wholly-owned subsidiary of the Tender Offeror, it owns 4,370,525 Company Shares (Ownership Ratio: 18.55%). Nippon Steel, which has entered into the Basic Agreement with the Tender Offeror and has agreed not to tender any of the Company Shares it owns in the Tender Offer, owns 7,861,280 Company Shares (Ownership Ratio: 33.36%). Since the Tender Offeror Group and Nippon Steel collectively own 12,231,805 Company Shares (Ownership Ratio:

51.91%), setting a minimum number of shares to be purchased equivalent to MoMin the Tender Offer might make the success of the Tender Offer unstable, and could conversely fail to serve the interests of general shareholders who wish to tender their shares in the Tender Offer. Therefore, a minimum number of shares to be purchased equivalent to MoM has not been set. However, the Tender Offeror believes that sufficient consideration has been given to the interests of the Company's general shareholders because the Tender Offeror and the Company have taken the following measures.

Among the descriptions below, measures implemented by the Tender Offeror are based on explanations received from the Tender Offeror.

(A) Receipt of a Share Valuation Report by the Tender Offeror from an Independent Third-Party Valuation Institution

(i) Name of Valuation Institution and Relationship with the Company and the Tender Offeror

In determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, the Tender Offeror requested Nomura Securities, its financial adviser and a third-party valuation institution independent of the Tender Offeror, Nippon Steel and the Company, to calculate the share value of the Company Shares, and obtained a share valuation report dated July 30, 2026 (the "Share Valuation Report (Tender Offeror)").

Nomura Securities is not a related party of the Tender Offeror Group, Nippon Steel or the Company Group and does not have any material interest in the Transactions. In addition, because the Tender Offeror determined the Tender Offer Price after comprehensively considering the various factors described below and conducting discussions and negotiations with the Company, the Tender Offeror did not obtain from Nomura Securities an opinion regarding the fairness of the Tender Offer Price (a fairness opinion).

(ii) Overview of Valuation

After examining the financial condition of the Company, trends in the market price of the Company Shares and other matters, Nomura Securities determined that it would be appropriate to evaluate the Company Shares from multiple perspectives. After considering the valuation methods to be adopted from among multiple share valuation methods, Nomura Securities calculated the share value of the Company Shares using the average market price analysis because a market price exists, the comparable company analysis because there are multiple listed companies comparable to the Company and it is possible to infer the share value of the Company Shares through comparison with such comparable companies, and the DCF Analysis in order to reflect the status of future business activities in the valuation.

The ranges of the per-share value of the Company Shares calculated by Nomura Securities based on the above methods are as follows:

Average Market Price Analysis:	JPY 7,046 to JPY 7,740
Comparable Company Analysis:	JPY 3,721 to JPY 9,022
DCF Analysis:	JPY 5,544 to JPY 11,912

Under the average market price analysis, with the valuation base date set as July 30, 2026, the range of the per-share value of the Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7,740 of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the base date, the simple average of the closing prices for the most recent five business days of JPY 7,546, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7,299, and the simple average of the closing prices for the most recent six (6) months of JPY 7,358.

Under the comparable company analysis, the share value of the Company Shares was calculated through comparison with the market prices and financial indicators showing profitability, etc., of listed companies engaged in businesses similar to those of the Company, and the range of the per-share value of the Company Shares was calculated at JPY 3,721 to JPY 9,022.

Under the DCF Analysis, based on the financial forecasts for the fourth fiscal years from the fiscal year ending

March 2027 through the fiscal year ending March 2030, which were received from the Company (the Business Plan received from the Company (as defined below) does not include free cash flow), confirmed by the Tender Offeror and provided to Nomura Securities, and on the Company's future earnings forecasts for the fiscal year ending March 2027 and thereafter, taking into account various factors such as the earnings and investment plans under such financial forecasts, recent business performance trends and publicly available information, Nomura Securities analyzed and evaluated the enterprise value and share value of the Company by discounting to present value, at a certain discount rate, the free cash flows expected to be generated by the Company in the future, and calculated the range of the per-share value of the Company Shares at JPY 5,544 to JPY 11,912. The financial forecasts of the Company used as the basis for the DCF Analysis do not include fiscal years in which significant increases or decreases in profits are expected, but include fiscal years in which significant increases or decreases in free cash flow are expected. Specifically, in the fiscal years ending March 2027 and March 2028, a significant decrease in free cash flow is expected because capital expenditures during the planning period are expected to increase compared to prior fiscal years. In addition, such financial forecasts were not prepared on the assumption that the Transactions would be implemented, and the synergies expected to be realized through the implementation of the Transactions are not reflected in such financial forecasts because it is difficult to specifically estimate them at this time.

In addition to the results of the valuation of the Company Shares set forth in the Share Valuation Report (Tender Offeror) obtained from Nomura Securities, the Tender Offeror comprehensively considered the results of the due diligence conducted on the Company from mid-March to late June 2026, whether the Company's board of directors would express support for the Tender Offer, the prospects for tenders in the Tender Offer and other factors, and, taking into account the results of discussions and negotiations with the Company, ultimately decided today to set the Tender Offer Price at JPY 10,600.

The Tender Offer Price of JPY 10,600 represents a premium of 36.95% over the closing price of JPY 7,740 of the Company Shares on the Prime Market of the Tokyo Stock Exchange on July 30, 2026, the business day immediately preceding the date of announcement of the planned commencement of the Tender Offer (today), a premium of 50.44 % over the simple average closing price of JPY 7,046 for the most recent one-month period, a premium of 45.23 % over the simple average closing price of JPY 7,299 for the most recent three-month period, and a premium of 44.06% over the simple average closing price of JPY 7,358 for the most recent six-month period.

Note 1: In calculating the share value of the Company Shares, Nomura Securities assumed that all publicly available information and all information provided to Nomura Securities were accurate and complete, and did not independently verify the accuracy or completeness thereof. Nomura Securities did not independently conduct any valuation, appraisal or assessment of the assets or liabilities of the Company or its affiliates, including any analysis or valuation of individual assets or liabilities, including derivatives, off-balance-sheet assets and liabilities and other contingent liabilities, nor did it request any third-party institution to conduct any such appraisal or assessment. With respect to the financial forecasts of the Company, including profit plans and other information, Nomura Securities assumed that they had been reasonably reviewed or prepared by the management of the Tender Offeror based on the best and good-faith forecasts and judgments available at that time. The valuation by Nomura Securities reflects the information and economic conditions available to Nomura Securities as of July 30, 2026. The sole purpose of the valuation by Nomura Securities was to provide reference information to assist the board of directors of the Tender Offeror in considering the share value of the Company Shares.

(B) Receipt of a Share Valuation Report by the Company from an Independent Third-Party Valuation Institution

(i) Name of Valuation Institution and Relationship with the Company and the Tender Offeror

The Company, in order to ensure the fairness of the valuation, requested Mizuho Securities, a third-party valuation institution independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, to estimate the value of the Company Shares, and received the Company Share Valuation Report (Mizuho Securities) on July 30, 2026. Mizuho Securities is not a related party of the Company Group, the Tender

Offeror Group, or Nippon Steel, and does not have any material interest in the Transactions. Mizuho Securities is a member of the Mizuho Financial Group, Inc., the same group to which Mizuho Bank, Ltd. ("Mizuho Bank") belongs. While Mizuho Bank holds positions as a shareholder of the Company, the Tender Offeror, and Nippon Steel, and has lending and other transactions with the Company, the Tender Offeror, and Nippon Steel as part of ordinary banking transactions, it does not have any material interest to be disclosed in connection with the Transactions. Furthermore, in accordance with applicable laws and regulations, including Article 36 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007, as amended), Mizuho Securities has established and implemented an appropriate conflict of interest management system, including information barrier measures, between Mizuho Securities and Mizuho Bank, and has estimated the share value of the Company from a standpoint independent of Mizuho Bank's status as a shareholder and lender. The Company determined that Mizuho Securities has established and implemented an appropriate conflict of interest management system for estimating the Company's share value, and selected Mizuho Securities as its third-party valuation institution. Since the Tender Offeror and the Company have implemented measures to ensure the fairness of Dual Tender Offer Prices and to avoid conflicts of interest, the Company believes that sufficient consideration has been given to the interests of the Company's general shareholders, and therefore has not obtained an opinion on the fairness of the prices for Dual Tender Offers (a fairness opinion) from Mizuho Securities. The remuneration payable to Mizuho Securities for the Transactions does not include a contingency fee to be paid conditional upon the successful completion of the Transactions. In addition, after confirming that there are no issues with Mizuho Securities' expertise and independence, the Special Committee approved Mizuho Securities as the Company's third-party valuation institution.

(ii) Overview of Valuation

As a result of considering the valuation analyses to be applied in the Tender Offer, based on the analysis that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives on the assumption that the Company is a going concern, Mizuho Securities calculated the per-share value of the Company Shares by using: the market price reference method, as the Company Shares are listed on the Prime Market of the TSE and a market price exists; and the DCF Analysis, in order to reflect the status of the Company's future business activities in the valuation. The ranges of the per-share value of the Company Shares calculated by Mizuho Securities based on the above analyses are as follows:

Market Price Reference Method:	JPY 7,046 to JPY 7,740
DCF Analysis:	JPY 8,277 to JPY 11,124

Under the market price reference method, with the valuation base date set as July 30, 2026, the range of the per-share value of the Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7,740 of the Company Shares on the Prime Market of the TSE on the base date, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7,299, and the simple average of the closing prices for the most recent six (6) months of JPY 7,358.

Under the DCF Analysis, the corporate value and share value of the Company were calculated by discounting the free cash flows expected to be generated by the Company from the fiscal year ending March 31, 2027 onward, to the present value at a certain discount rate, based on various factors such as the earnings forecasts and investment plans in the business plan from the fiscal year ending March 31, 2027, through the fiscal year ending March 31, 2030 (the "Business Plan"), prepared by the Company based on the current earnings environment, the Company's business performance and other relevant factors and covers the period that the Company currently considers reasonably foreseeable, and publicly available information, and the range of the per-share value of the Company Shares was calculated at JPY 8,277 to JPY 11,124. The weighted average cost of capital (WACC) was used as the discount rate, adopting a range of 8.4% to 9.4%. It should be noted that size risk premium was not taken into account in calculating the discount rate. In addition, in calculating the terminal value, the perpetual growth analysis was adopted, and, after comprehensively taking into account external factors and other relevant circumstances, the perpetual growth rate was assumed to range from 1.5% to 2.5%, resulting in a terminal value ranging from JPY 169,851 million to JPY 236,634 million. In calculating the terminal value, gains on the sale of vessels expected to be realized after the period covered by the Business Plan were taken into consideration.

The financial forecasts based on the Business Plan that Mizuho Securities used as the assumption for the calculation under the DCF Analysis are as follows. These financial forecasts include fiscal years in which significant increases or decreases in profits and free cash flows are expected compared to the previous fiscal year. Specifically, in the fiscal year ending March 31, 2029, operating profit is expected to decrease by JPY 6,424 million and free cash flow is expected to decrease by JPY 2,939 million from the previous fiscal year, primarily because the current freight market, which has been affected by higher fuel costs and disruptions to certain shipping routes resulting from the deterioration of the situation in the Middle East, is expected to return to the level prevailing prior to such deterioration.

Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions, because it is difficult at this stage to specifically estimate their impact on earnings, such effects have not been reflected in the financial forecasts contained in the Business Plan or in Mizuho Securities' valuation based thereon.

The Business Plan was prepared solely for the purpose of assessing the fairness and reasonableness of the terms and conditions of the Transactions. It was prepared by the Project Team (defined below; the same applies hereinafter), and neither the Tender Offeror Group nor Nippon Steel (including individuals originally employed by or seconded from the Tender Offeror or Nippon Steel) was involved in its preparation. In addition, in preparing the Business Plan, TKI, the Company's legal advisor, and the Special Committee confirmed the fairness of the preparation process, including the independence of the Company's officers and employees involved in its preparation. Furthermore, Mizuho Securities, Plutus and the Special Committee conducted multiple rounds of questions and answers regarding the contents of the draft Business Plan and its material assumptions, etc. Based on the foregoing, the Special Committee confirmed and approved the reasonableness of the contents of the Business Plan, its material assumptions and the process by which it was prepared.

Although the Business Plan differs from the Current Medium-term Management Plan (which targets operating profit of JPY 20.0 billion for the fiscal year ending March 31, 2028), such differences reflect changes in market conditions since the Current Medium-term Management Plan was formulated. Specifically, when the Current Medium-term Management Plan was formulated, it was assumed that environmental initiatives would advance across the international shipping industry following the introduction of environmental regulations. However, in October 2025, the International Maritime Organization resolved to postpone by one year the adoption of proposed amendments to an international convention aimed at reducing greenhouse gas emissions from international shipping. In light of this, the Company recognizes that environmental initiatives have stalled globally. Taking into account that the investments in environmentally friendly vessels contemplated under the Current Medium-term Management Plan have not progressed as initially anticipated, the Company prepared the Business Plan, which it considers to be more objective, reasonable and reflective of current circumstances. The Special Committee also confirmed the reasonableness of the differences between the figures in the Current Medium-term Management Plan and those in the Business Plan.

(Unit: JPY million)

	Fiscal year ending March 31, 2027 (9 months)	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net Sales	155,617	225,018	223,603	233,726
Operating Profit	18,376	25,568	19,144	20,036
EBITDA	36,712	44,806	41,153	45,670

Free Cash Flow	21,118	7,494	4,554	3,420

Note 1: In valuing the Company Shares, Mizuho Securities analyzed and reviewed the following materials and information. The materials and information listed below include those relating to the Company's subsidiaries and affiliates (as defined in Article 8 of the Regulation on Terminology, Forms and Preparation Methods of Financial Statements (Ministry of Finance Ordinance No. 59 of 1963, as amended); collectively, the "Affiliates").

(1) Financial information publicly disclosed in the Company's securities reports, quarterly reports and other disclosure documents;

(2) Various materials relating to the Company's business and financial condition prepared by the Company and provided to Mizuho Securities;

(3) Various materials relating to the Company's financial forecasts prepared by the Company and provided to Mizuho Securities (including the Business Plan);

(4) The results of interviews with the Company's management concerning the Company's historical and projected business and financial condition, and responses to Q&A lists received from the relevant departments of the Company;

(5) The market price and trading status of the Company's common shares; and

(6) Other materials that Mizuho Securities received from the Company or obtained through its own general investigation and considered necessary and appropriate.

In addition, Mizuho Securities made the following assumptions in valuing the Company Shares:

(1) Mizuho Securities relied upon and assumed the accuracy and completeness of all publicly available information reviewed by Mizuho Securities and all financial and other information provided by, or discussed with, the Company that formed a material basis for its analysis (the "Information"). Mizuho Securities has not independently verified, and assumes no responsibility or obligation to independently verify, the accuracy or completeness of the Information. Accordingly, if the Information contains any material errors, or if any facts or circumstances not disclosed as of the valuation date, or any facts or circumstances arising after the valuation date (including facts that existed potentially as of the valuation date but became apparent thereafter), exist, the valuation results may differ. Mizuho Securities also assumed that the Company's management was not aware of any facts that would render the financial or other information provided to, or discussed with, Mizuho Securities incomplete or misleading.

(2) Mizuho Securities assumed that the financial forecasts and other forward-looking information provided to it (including forecasts of future revenues and expenses, anticipated cost reductions and the Business Plan) had been reasonably prepared by the Company based on the best currently available forecasts and judgments regarding the future operating results and financial condition of the Company and its Affiliates. Mizuho Securities relied upon such financial forecasts and the Business Plan without independently verifying their achievability and expressed no opinion as to the analyses or projections referred to in the Company Share Valuation Report (Mizuho Securities) or the assumptions underlying them. In addition, with respect to the synergies expected to be realized through the Transactions, Mizuho Securities was not aware, as of the date of the Company Share Valuation Report (Mizuho Securities), of any matters that could be quantitatively evaluated as having a material impact on the valuation, and therefore did not incorporate such synergies into its valuation.

(3) To the extent that any information requested by Mizuho Securities in connection with the preparation of the Company Share Valuation Report (Mizuho Securities) was not provided or disclosed by the Company, or although provided or disclosed, its impact on the enterprise value of the Company remained uncertain at this time, or such information could not otherwise be used by Mizuho Securities as a basis for its valuation, Mizuho Securities, with the Company's consent, adopted assumptions that it considered reasonable and appropriate. If any such assumptions are found to differ materially from

the actual facts, the valuation results may differ.

(4) Mizuho Securities assumed that the Transactions would not be taxable to the Company under the Corporation Tax Act of Japan and that no other tax consequences of the Transactions would affect the value of the Company Shares. In addition, without conducting any independent verification, Mizuho Securities assumed that the Transactions would be completed in a timely manner; that all material governmental, regulatory and other consents and approvals required for the completion of the Transactions (whether pursuant to applicable laws and regulations or contractual arrangements) would be obtained without adversely affecting the Company or the benefits expected from the Transactions; that the terms and conditions of such consents and approvals would not affect the value of the Company Shares; and that, except as disclosed by the Company, any orders, measures or other dispositions issued or imposed on the Company by governmental or regulatory authorities would not have, and would not in the future have, any impact on the Company's future operating results. Mizuho Securities is not a legal, regulatory, accounting or tax expert and relied on the evaluations made by the Company's external advisers with respect to such matters.

(5) Mizuho Securities has not conducted any independent appraisal or evaluation of the assets or liabilities (including derivative transactions, off-balance sheet assets or liabilities and other contingent liabilities) or reserves of the Company or its Affiliates, has not analyzed the appropriateness of their accounting or tax valuations or accounting or tax treatments, and has neither obtained nor requested any independent appraisal, evaluation or analysis from any third party. Mizuho Securities has no obligation to inspect the properties or facilities of the Company or its Affiliates and has not evaluated the shareholders' equity or solvency of the Company or its Affiliates under any insolvency, bankruptcy or similar laws.

(6) Mizuho Securities assumed that neither the Company nor any of its Affiliates has entered into, or made any decision to enter into, any contract, agreement or other arrangement that would have a material effect on the value of the Company Shares, and will not enter into or make any such decision in the future. Mizuho Securities also assumed that the execution of the Transactions would not result in any breach of any material agreement binding on the Company or its Affiliates, or give rise to any right to terminate any such agreement or to declare a default or exercise any remedy thereunder.

(7) Except as disclosed in the Information, Mizuho Securities assumed that neither the Company nor its Affiliates has any contingent liabilities relating to litigation, disputes or other matters, or any off-balance sheet liabilities relating to environmental matters, taxation, intellectual property rights or otherwise, and that the Company's current insurance coverage is adequate for the operation of its business.

(C) Receipt of a Share Valuation Report and the Fairness Opinion by the Special Committee from an Independent Third-Party Valuation Institution

(i) Name of Valuation Institution and Relationship with the Company and the Tender Offeror

The Special Committee appointed Plutus as a third-party valuation institution independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, and requested Plutus to conduct a valuation of the Company Shares and express an opinion on the fairness of the Tender Offer Price (a fairness opinion). The Special Committee received the Special Committee Share Valuation Report (Plutus) and Fairness Opinion on July 30, 2026. Plutus is not a related party of the Company Group, Nippon Steel, or the Tender Offeror Group, and does not have any material interest in the Transactions, including the Tender Offer. The remuneration payable to Plutus for the Transactions does not include a contingency fee to be paid conditional upon the successful completion of the Transactions.

(ii) Overview of Valuation

As a result of considering the valuation analyses to be applied in the Tender Offer, based on the analysis that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives on the assumption that the Company is a going concern, Plutus calculated the per-share value of the Company Shares by using: the market price analysis, as the Company Shares are listed on the Prime Market of the TSE and a market share price exists; the comparable company analysis, and the DCF Analysis, in order to reflect the status of the Company's future business activities in the valuation.

The ranges of the per-share value of the Company Shares calculated by Plutus based on the above analyses are as follows:

Market Price Analysis:	JPY 7,046 to JPY 7,740
DCF Analysis:	JPY 8,972 to JPY 17,622

Under the market price analysis, with the valuation base date set as July 30, 2026, the range of the per-share value of the Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7,740 of the Company Shares on the Prime Market of the TSE on the base date, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7,299, and the simple average of the closing prices for the most recent six (6) months of JPY 7,358.

Under the DCF Analysis, the corporate value and share value of the Company were calculated by discounting the free cash flows expected to be generated by the Company in and after the fiscal year ending March 31, 2027, to the present value at a certain discount rate, based on various factors such as the earnings forecasts and investment plans in the Business Plan from the fiscal year ending March 31, 2027, through the fiscal year ending March 31, 2030, prepared by the Company, and publicly available information, and the range of the per-share value of the Company Shares was calculated at JPY 8,972 to JPY 17,622. The WACC was used as the discount rate, adopting a range of 5.7% to 7.0%. It should be noted that size risk premium was not taken into account in calculating the discount rate. In calculating the terminal value, the perpetual growth analysis and the exit multiple analysis were applied, resulting in a range of JPY 182,387 million to JPY 234,020 million. Under the perpetual growth analysis, the perpetual growth rate was assumed to range from 0% to 1%, with the lower end reflecting the long-term economic environment that could theoretically be expected and the upper end reflecting inflation, demographic trends and other macroeconomic factors. Under the exit multiple analysis, an EV/EBITDA multiple ranging from 8.7x to 12.6x was applied, taking into account, among other things, the valuation multiples of comparable companies in the industry.

In addition, the Business Plan was prepared by the Project Team. In the process of its preparation, there is no fact that the Tender Offeror Group and Nippon Steel (including persons originally from or seconded from the Tender Offeror and Nippon Steel) were involved. In connection with the Company's preparation of the Business Plan for the Transactions, the Special Committee conducted a Q&A session regarding the contents of the draft business plan and material assumptions, and confirmed and approved the reasonableness of the final contents of the Business Plan, material assumptions, and the background of its preparation.

The financial forecasts based on the Business Plan that Plutus used as the assumption for the calculation under the DCF Analysis are as follows. These financial forecasts include fiscal years in which significant increases or decreases in profits and free cash flows are expected compared to the previous fiscal year. Specifically, for the fiscal year ending March 2029, operating profit is expected to decrease by JPY 6,424 million year on year, and free cash flow is expected to decrease by JPY 3,034 million year on year, primarily because the current freight market, which has been affected by higher fuel costs and disruptions to certain shipping routes resulting from the deterioration of the situation in the Middle East, is expected to return to the level that prevailed before the deterioration of the situation in the Middle East.

Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions, as it is difficult to estimate such effects specifically at this time, they have not been reflected in the financial projections set forth below. The financial projections that formed the basis for the DCF Analysis are as follows.

(Unit: JPY million)

	Fiscal year ending March 31, 2027 (9 months)	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net Sales	155,617	225,018	223,603	233,726
Operating Profit	18,376	25,568	19,144	20,036
EBITDA	36,666	44,607	40,955	45,472
Free Cash Flow	17,546	7,428	4,394	3,735

Note: In conducting its valuation of the Company Shares, Plutus principally relied, without independent verification, on the information provided by the Company and publicly available information, assuming that all such materials and information were accurate and complete. Plutus did not independently appraise or evaluate the assets or liabilities of the Company or its affiliates (including off-balance-sheet assets and liabilities and other contingent liabilities), nor did it request any third-party appraisal or valuation thereof. In addition, Plutus assumed that the information regarding the Company's financial projections had been reasonably prepared based on the best forecasts and judgments currently available to the Project Team. However, with respect to the Business Plan that formed the basis for its valuation, Plutus held multiple discussions with the Company and confirmed that the Business Plan had been reasonably prepared based on the best forecasts and judgments currently available to the Project Team. Plutus also reviewed the reasonableness of the Business Plan from the perspective of whether any unreasonable assumptions or other deficiencies existed, based on its understanding of the Company's current business condition. Furthermore, the Special Committee confirmed the reasonableness of the contents of the Business Plan, its material assumptions and the process by which it was prepared.

(iii) Overview of the Fairness Opinion

The Special Committee obtained the Fairness Opinion from Plutus, dated July 30, 2026, stating that the Tender Offer Price of JPY 10,600 per share is fair, from a financial point of view, to the Company's general shareholders. The Fairness Opinion expresses Plutus's opinion that the Tender Offer Price of JPY 10,600 per share is fair, from a financial point of view, to the Company's general shareholders, based on, among other things, the results of its valuation of the Company Shares prepared on the basis of the Business Plan prepared by the Company. The Fairness Opinion was issued after Plutus had received from the Company disclosures regarding the current status of the Company's business, the Business Plan and other relevant information, as well as explanations thereof, and had conducted its valuation of the Company Shares. In addition, Plutus conducted discussions with the Company regarding the outline, background and purpose of the Tender Offer, reviewed the Company's business environment, economic, market and financial conditions to the extent deemed necessary by Plutus, and completed a review by an internal review committee independent from Plutus's engagement team (Note 2).

Note 2: In preparing the Fairness Opinion, Plutus assumed that the underlying materials provided by the Company, publicly available information and the information obtained from the Company were accurate and complete. Plutus neither conducted, nor assumed any obligation to conduct, any independent investigation or verification of the accuracy or completeness of such information and, accordingly, assumes no responsibility for any deficiency in such materials or for any failure to disclose material facts. Plutus further assumed that the Business Plan and the other materials used as the basis for the Fairness Opinion had been reasonably prepared based on the best forecasts and judgments available at the time they were prepared. Plutus does not guarantee the achievability of the Business Plan or other projections and expresses no opinion regarding the analyses or forecasts underlying such materials or the assumptions on which they are based. As Plutus is not an expert in legal, accounting or tax matters, it neither expresses nor assumes any responsibility for expressing any opinion on legal, accounting or tax matters relating to the Tender Offer. Plutus has not conducted any independent appraisal or valuation of the assets or liabilities of the Company or its affiliates (including off-balance-sheet assets and liabilities and other contingent liabilities), including any analysis or valuation of individual assets and liabilities, nor has it received any appraisal reports or valuation reports relating thereto. Accordingly, Plutus has not evaluated the solvency of the Company or its affiliates. The Fairness Opinion has been prepared solely for the purpose of assisting the Company in considering whether to express its opinion regarding the Tender Offer and constitutes an opinion, from a financial point of view, as to the fairness of the Tender Offer Price. Accordingly, the Fairness Opinion expresses no opinion as to the relative merits of the Tender Offer compared with any alternative transaction, the benefits that may result from the implementation of the Tender Offer, or whether the Tender Offer should be consummated. The Fairness Opinion does not express any opinion to the holders of the Company's securities, creditors or any other interested parties. Accordingly, Plutus assumes no responsibility to any shareholder or third party who may rely on the Fairness Opinion. Plutus is not soliciting investments in the Company and has no authority to do so. Accordingly, the Fairness Opinion does not constitute a recommendation to the Company's shareholders as to whether they should tender their shares in the Tender Offer or take any other action. The Fairness Opinion expresses Plutus's opinion, as of the date on which it was rendered, as to whether the Tender Offer Price is fair, from a financial point of view, to the Company's general shareholders, based on the financial and capital markets, economic conditions and other circumstances existing as of that date and on the information made available to or obtained by Plutus on or before that date. Plutus assumes no obligation to revise, amend or supplement its opinion if any of those assumptions subsequently change. The Fairness Opinion does not permit any inference or implication regarding any matter other than those expressly stated therein or with respect to any period after the date on which the Fairness Opinion was rendered.

In conducting its valuation of the Company Shares, Plutus principally relied, without independent verification, on the information provided by the Company and publicly available information, assuming that all such materials and information were accurate and complete. Plutus has not independently appraised or evaluated, nor has it requested any third-party appraisal or valuation of, the assets or liabilities of the Company or its affiliates (including off-balance-sheet assets and liabilities and other contingent liabilities). In addition, Plutus assumed that the financial projections of the Company had been reasonably prepared based on the best forecasts and judgments currently available to the Company's management. The Special Committee, however, conducted discussions with the Company regarding such financial projections and confirmed the reasonableness of their contents and underlying assumptions. Plutus also conducted discussions with the Company regarding the Business Plan used as the basis for its valuation and analyzed and reviewed its contents.

(D) Establishment of an Independent Special Committee and Acquisition of a Special Committee Report by the Company

In order to ensure careful decision-making by the Company regarding the Transactions, eliminate arbitrariness and the risk of conflicts of interest in the decision-making process of the board of directors of the Company, and ensure its fairness, and for the purpose of examining and deciding on the propriety of implementing the Transactions, and the appropriateness, fairness, and reasonableness of the transaction terms, etc., the Company established the Special Committee consisting of four members Mr. Setsu Onishi, Ms. Masako Yoshida (audit and supervisory board member of Tokio Marine Millea SAST Insurance Co., Ltd., audit and supervisory board member of Tokio Marine West SAST Insurance Co., Ltd., outside director (audit and supervisory committee member) of Matsuya Co., Ltd., and audit and supervisory board member of Tokio Marine Trust SAST Insurance Co., Ltd.), Mr. Keisuke Takegahara (professor at the National Graduate Institute for Policy Studies), and Ms. Riyo Kano (partner at Tanabe & Partners and outside director of The Yamanashi Chuo Bank, Ltd.), who are outside directors and independent directors of the Company by a resolution of the board of directors held on February 17, 2026. The Special Committee is independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. In addition, each member of the Special Committee receives fixed remuneration, and no success fee contingent upon the completion of the Transactions or otherwise has been adopted. The Special Committee elected Mr. Setsu Onishi as its chairman by mutual vote. The Company appointed these four individuals as members of the Special Committee from the time of its establishment, and the composition of the Special Committee has not been changed thereafter.

Upon deciding to establish the Special Committee, the board of directors of the Company also resolved that, in making any decision regarding the Transactions, it would respect the opinions of the Special Committee to the maximum extent possible, and that if the Special Committee determined that the implementation of the Transactions or the terms and conditions thereof was not appropriate, the board of directors would not make a decision to implement the Transactions.

In addition, the board of directors of the Company granted the Special Committee the authority to: (i) participate in negotiations with the Tender Offeror regarding the terms and conditions of the Transactions; (ii) appoint, at the Company's expense, its own external advisors (including legal counsel, financial advisors, and third-party valuation institutions) and seek their advice; and (iii) request the Company, at the Company's expense, to provide information and materials necessary for its deliberations. In response, the Special Committee approved Mizuho Securities, the Company's third-party valuation institution and financial advisor, and TKI, the Company's legal advisor, as the Company's third-party valuation institution, financial advisor, and legal advisor, respectively, after confirming that there were no issues regarding their independence or expertise. The Special Committee also confirmed that it could receive professional advice from these advisors as necessary.

Thereafter, on July 21, 2026, the board of directors of the Company consulted the Special Committee regarding: (i) the legitimacy and reasonableness of the purpose of the Transactions (including whether the Transactions would contribute to the enhancement of the Company's corporate value); (ii) the fairness and reasonableness of the terms and conditions of the Transactions (including whether the level of the purchase price in the Dual Tender Offers, the acquisition structure, the form of consideration, and other transaction terms are fair); (iii) the fairness of the procedures relating to the Transactions (including whether sufficient measures have been taken to ensure the fairness of the transaction terms); (iv) whether, in light of the matters described in (i) through (iii) and all other relevant circumstances, the Transactions should be considered fair to the Company's general shareholders; and (v) whether, in light of the matters described in (i) through (iv) and all other relevant circumstances, it would be appropriate for the board of directors of the Company to express its opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer (collectively, the "Consultation Matters").

The Special Committee met a total of 15 times between February 27, 2026, when it held its first meeting, and July 30, 2026, when it held its 15th meeting, and carefully discussed and considered the Consultation Matters. Specifically, the Special Committee conducted: (i) interviews with the Tender Offeror regarding the background and history leading to the proposal of the Transactions, the synergies expected to result from the Transactions, the Tender Offeror's management policy following the Transactions, and the terms and proposed structure of the Transactions; (ii) interviews with members of the Company's project team regarding, among other things, management's evaluation of the Tender Offeror's proposal, the status of discussions with the Tender Offeror, and the contents of, and preparation process of the Business Plan used as the basis for the valuation of the Company Shares by Mizuho Securities and Plutus; (iii) interviews with Mizuho Securities regarding the details and progress of the Transactions and the valuation analyses and results of its valuation of the Company Shares; (iv) receipt of the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion from Plutus, as well as interviews with Plutus regarding the valuation analyses and results of its valuation of the Company Shares; and (v) interviews with TKI regarding legal advice, including the measures to be taken to ensure procedural fairness in the Transactions, the procedures for implementing the Transactions, the manner in which the Special Committee should conduct its deliberations, and negotiations with the Tender Offeror concerning the Tender Offer Price and other transaction terms.

After carefully discussing and considering the Consultation Matters as described above, the Special Committee unanimously submitted to the board of directors of the Company, on July 31, 2026, the Special Committee Report, the contents of which are attached hereto. For the details of the opinions expressed by the Special Committee regarding the Consultation Matters and the reasons therefor, please refer to the Special Committee Report.

(E) Procurement of Advice from an Independent Legal Advisor

In order to ensure the fairness and appropriateness of the decision-making process of the board of directors of the Company, the Company appointed TKI as its legal advisor, which is independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, and has received legal advice from TKI, including advice on the measures to be taken to ensure the fairness of the procedures relating to the Transactions, the various procedures for the Transactions, the manner in which the Special Committee should conduct its deliberations concerning the Transactions, and negotiations with the Tender Offeror regarding the Tender Offer Price and other transaction terms.

TKI does not constitute a related party of the Company Group, the Tender Offeror Group, or Nippon Steel and has no material interest in the Transactions. The remuneration payable to TKI in connection with the Transactions does not include any success fees contingent upon the completion of the Transactions or any similar arrangement. In addition, the Special Committee approved TKI as the Company's legal advisor after confirming its expertise and independence.

(F) Establishment of an Independent Internal Framework by the Company

As described in "(C) Decision-Making Process and Reasons Leading to the Company's Support for the Tender Offer" under "(2) Grounds and Reasons for the Opinion" above, the Company began establishing a framework to consider, negotiate, and make decisions regarding the Transactions from a standpoint independent of the Tender Offeror, and from the perspective of the enhancement of corporate value of the Company and securing the common interests of the Company's shareholders, based on the legal advice received from TKI, which included advice on measures to be taken to ensure the fairness of the procedures in the Transactions, various procedures of the Transactions, the manner in which the Special Committee should conduct its deliberations concerning the Transactions, and negotiations with the Tender Offeror on the Tender Offer Price and other conditions.

Specifically, in response to the instructions of the Special Committee, the Company established a project team (the "Project Team"), including directors Mr. Takamasa Takami, Mr. Yoshinori Sato, and Mr. Kyo Sonoda, to conduct the consideration, negotiation, and decision-making regarding the Transactions within the Company, including responding to the due diligence conducted by the Tender Offeror, considering and preparing the Business Plan, and considering the Company's management policy following the Transactions. For the avoidance of doubt, Mr. Toru Fujita, Mr. Shinichi Kitazato, and Mr. Kiyoshi Kanemitsu ceased to be members of the Project Team upon their retirement as directors at the conclusion of the Company's annual general meeting of shareholders held on June 25, 2026. In selecting the members of the Project Team, the Company established the framework with due care not to include any officers or employees of the Company who concurrently serve, or have previously served, as officers or employees of the Tender Offeror Group (including the Tender Offeror) or Nippon Steel. In particular, regarding the preparation of the Business Plan, which serves as the basis for the valuation of the Company Shares, the Company received advice from Mizuho Securities, the financial advisor, conducted multiple Q&A sessions with Mizuho Securities, Plutus, and the Special Committee, and proceeded while receiving confirmation from TKI, the legal advisor, and the Special Committee regarding the fairness of the preparation process, including the independence of the officers and employees involved in its preparation.

Furthermore, for the reasons stated in "(F) Unanimous Approval by All Disinterested Directors and a No-Objection Opinion from All Disinterested Audit & Supervisory Board Members of the Company" below, five individuals, Mr. Kazuma Yamanaka, Ms. Noriko Miyamoto, Mr. Soichi Miyazawa, Mr. Shohei Yamamoto, and Mr. Tomomi Mohri, have been excluded from the framework, and such treatment has continued up to the date hereof. None of these five individuals has given any instructions or otherwise been involved in the consideration, negotiation, or decision-making process concerning the Transactions.

In establishing the Company's framework for considering the Transactions (including the scope of the officers and employees of the Company involved in the consideration, negotiation, and decision-making of the Transactions and their duties), including the aforementioned treatment, the Company has taken into account the advice of TKI, and has obtained the approval of the Special Committee that there are no issues from the perspective of independence and fairness.

(G) Unanimous Approval by All Disinterested Directors and a No-Objection Opinion from All Disinterested Audit & Supervisory Board Members of the Company

The board of directors of the Company carefully discussed and considered the Transactions from the perspectives of the enhancement of the corporate value of the Company and the reasonableness of the various terms and conditions of the Transactions, while taking into account the legal advice received from TKI, the Company Share Valuation Report (Mizuho Securities), the Special Committee Share Valuation Report (Plutus), and the Fairness Opinion, and giving the utmost respect to the contents of the Special Committee Report submitted by the Special Committee.

As a result, as described in "(C) Decision-Making Process and Reasons Leading to the Company's Support for the Tender Offer" under "(2) Grounds and Reasons for the Opinion" above, the Company determined that the Transactions, including the Tender Offer, would contribute to the enhancement of the corporate value of the Company Group, that the Tender Offer Price is reasonable, and that the Tender Offer would provide the shareholders of the Company with a reasonable opportunity to sell their shares. Accordingly, at the meeting of the board of directors held today, the Company resolved that, as its current opinion, if the Tender Offer is commenced, it will express its opinion in support of the Tender Offer and recommend that the shareholders of the Company tender their shares in the Tender Offer.

In addition, as described in "(C) Decision-Making Process and Reasons Leading to the Company's Support for the Tender Offer" under "(2) Grounds and Reasons for the Opinion" above, the Tender Offer is scheduled to commence promptly if the Conditions Precedent are satisfied or waived by the Tender Offeror. As of today, although the Tender Offeror has stated that it is difficult to accurately predict the period required for the procedures before the authorities having jurisdiction over the clearances, it aims to commence the Tender Offer during the period from late November 2026 to late December 2026. Accordingly, at the above-mentioned meeting of the board of directors, the Company also resolved to consult the Special Committee, at the time the Tender Offer commences, as to whether there has been any change to the opinion expressed by the Special Committee to the board of directors on July 31, 2026, and to request the Special Committee to report to the board of directors that there has been no change if that is the case, or to provide its revised opinion if there has been any change. Based on such opinion, the Company also resolved to express its opinion regarding the Tender Offer again at the time the Tender Offer commences.

Of the nine directors of the Company, seven directors, excluding Mr. Kazuma Yamanaka and Ms. Noriko Miyamoto, attended the deliberations and resolutions at the above-mentioned meeting of the board of directors, and the resolutions were adopted by the unanimous approval of all directors present. Of the four audit and supervisory board members of the Company, one audit and supervisory board member, Mr. Toru Kihira, attended the deliberations, excluding Mr. Soichi Miyazawa, Mr. Shohei Yamamoto, and Mr. Tomomi Mohri, and expressed the opinion that he had no objection to the adoption of the above resolutions.

In order to avoid any appearance of conflicts of interest and ensure the fairness of the Transactions, among the directors of the Company, Mr. Kazuma Yamanaka, who formerly served at Nippon Steel, and Ms. Noriko Miyamoto, who formerly served at the Tender Offeror, and among the audit and supervisory board members of the Company, Mr. Soichi Miyazawa, who formerly served at Nippon Steel, Mr. Shohei Yamamoto, who formerly served at the Tender Offeror, and Mr. Tomomi Mohri, who concurrently serves as General Manager of the Raw Materials Business Planning Department of Nippon Steel, did not participate in any deliberations of the board of directors concerning the Transactions, nor did they participate, on behalf of the Company, in the consideration of the Transactions or in any discussions or negotiations with the Tender Offeror concerning the Transactions.

(H) Measures to Ensure Opportunities for Purchases by Other Prospective Purchasers

The Tender Offeror aims to commence the Tender Offer around the period from late November 2026 to late December 2026, and given the extended period leading up to the commencement of the Tender Offer, the Tender Offeror believes that opportunities for persons other than the Tender Offeror to purchase or otherwise acquire the

Company Shares are ensured.

In addition, as described in "(B) Tender Offer Agreement" under "(6) Material Agreements Relating to Dual Tender Offers" in the Tender Offer Agreement, the Tender Offer Agreement contains deal protection provisions pursuant to which the Company may not (i) enter into any agreement with any person other than the Tender Offeror in relation to any transaction that competes with, conflicts with, or is inconsistent with, or is likely to compete with, conflict with, or be inconsistent with, the Transactions (including any transaction, whether by way of a tender offer, corporate reorganization or otherwise, involving the acquisition of the Company Shares or other securities or the disposition of all or a material part of the Company Shares or business; hereinafter, a "Competing Transaction"), including expressing an opinion in support of or making a Recommendation to Tender with respect to such transaction, (ii) provide any information relating to the Company or any other information to any person other than the Tender Offeror in connection with a Competing Transaction, or (iii) make any proposal, solicitation, offer or request for discussions with respect to, or engage in any discussions or negotiations concerning, a Competing Transaction.

However, the Tender Offer Agreement further provides that (i) where the Company is permitted to withdraw or change its opinion in support of the Tender Offer in accordance with the Tender Offer Agreement, the foregoing restrictions shall not apply with respect to a third party that has commenced a Qualified Competing Tender Offer (as defined in "(B) Tender Offer Agreement" under "(6) Material Agreements Relating to the Dual Tender Offers" below) or made a Competing Proposal (as defined in "(B) Tender Offer Agreement" under "(6) Material Agreements Relating to the Dual Tender Offers" below), and (ii) where the Company reasonably determines that a third party is likely to commence a Qualified Competing Tender Offer or make a Competing Proposal by the last day of the Tender Offer Period (the "Expiration Date of the Tender Offer Period"), and further reasonably determines that refraining from providing information relating to the Company Group or other information to, or engaging in discussions or negotiations with, such third party could constitute a breach of the directors' duty of care, the foregoing restrictions shall likewise not apply if the Company provides such information or engages in such discussions or negotiations in response to a reasonable request from such third party.

Accordingly, it remains entirely possible for a third party wishing to make a proposal that is more favorable to the Company and its shareholders to approach the Company, make such proposal, engage in discussions and negotiations with the Company and, as a result, actually commence a Qualified Competing Tender Offer or otherwise make a competing proposal. Therefore, we believe that the Tender Offer Agreement does not unduly impede the opportunity for a third party to make a competing proposal.

(I) Measures to Ensure Opportunities for the Company's Shareholders to Appropriately Determine Whether to Tender Their Shares in Dual Tender Offers

As described in "(4) Policy for Organizational Restructuring, etc. after Dual Tender Offers" below, the Tender Offeror ensures an opportunity for the Company's shareholders to properly decide whether or not to tender their shares in the Dual Tender Offers and thereby gives consideration to avoid creating coercive pressure on the Company's shareholders by (i) planning to request the Company to convene the Extraordinary Shareholders' Meeting at which the agenda items will include proposals for a partial amendment to the Company's articles of incorporation to abolish the provisions on share units subject to the Share Consolidation and on the condition that the Share Consolidation takes effect, and not employing any method that would fail to ensure the right of the Company's shareholders to request purchase of shares or to petition for a determination of the price of shares, and (ii) clarifying that the amount of money to be delivered to the Company's shareholders as consideration for the Company Shares in the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each of those shareholders (excluding the Tender Offeror, Nippon Steel and the Company).

Furthermore, the Tender Offeror plans to set the Tender Offer Period to 20 business days in principle. Since it is anticipated that a maximum of approximately 5 months may be required from the announcement of the scheduled commencement of the Tender Offer to the actual commencement of the Tender Offer, the Tender Offeror believes that sufficient opportunity has been secured for the general shareholders of the Company to make their decision regarding tendering into the Tender Offer.

(4) Policy for Organizational Restructuring, etc. after Dual Tender Offers

As described in "(A) Overview of the Tender Offer" above, if the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Company), the Tender Offeror intends to implement the Squeeze-Out Procedures in the following manner after successful completion of the Dual Tender Offers for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Company.

Specifically, promptly after the result announcement date of the Tender Offer, the Tender Offeror plans to request the Company to hold the Extraordinary Shareholders' Meeting that will include: (a) a proposal regarding the Share Consolidation pursuant to Article 180 of the Companies Act and (b) a proposal regarding a partial amendment to the articles of incorporation subject to the Share Consolidation becoming effective for the purpose of abolishing the provision regarding the number of shares constituting one (1) unit of stock. Although the timing of the Extraordinary Shareholders' Meeting will depend on the timing of completion of the Tender Offer, it is currently planned to be held in late November, 2026, if the Tender Offer can commence in early March 2026. If the Company receives such a request from the Tender Offeror, the Company plans to comply with the request. The Tender Offeror and Nippon Steel plan to vote in favor of each of the above-mentioned proposals at the Extraordinary Shareholders' Meeting.

If the proposal regarding the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, as of the effective date of the Share Consolidation, the shareholders of the Company will own the number of the Company Shares in proportion to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. In the case where any fraction of less than one (1) share arises as a result of the Share Consolidation, the amount of cash obtained by selling the Company Shares equivalent to the aggregate of such fractional shares (any fractional shares less than one (1) share in the aggregate will be rounded down; the same applies hereinafter) to the Tender Offeror will be delivered to the shareholders of the Company who hold fractional shares pursuant to Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Company Shares equivalent to the aggregate of such fractional shares, the Tender Offeror plans to request the Company to calculate such price so that the amount of money to be delivered to each of the shareholders of the Company (excluding the Tender Offeror, Nippon Steel and the Company; the same applies hereinafter) who did not tender their shares in the Dual Tender Offers as a result of such sale will be equal to the amount obtained by multiplying (a) the Tender Offer Price by (b) the number of the Company Shares held by such shareholders, and to file a petition with the court for permission for voluntary sale. Although the ratio for the consolidation of the Company Shares has not yet been determined as of today, the Tender Offeror plans to request the Company to determine the ratio in a manner such that the Tender Offeror and Nippon Steel will hold all the Company Shares, excluding treasury shares held by the Company, and the number of the Company Shares held by the shareholders of the Company (excluding the Tender Offeror and Nippon Steel) who did not tender their shares in the Dual Tender Offers will be a fraction less than one (1) share. The Company plans to comply with these requests from the Tender Offeror if the Tender Offer is completed.

The Companies Act provides that, in order to protect the rights of general shareholders in connection with the procedure described above, in the case where a fraction less than one (1) share arises because of the Share Consolidation, the shareholders of the Company may request the Company to purchase at a fair price all of their fractional shares less than one (1) share and file a petition with the court for a determination of the price of the Company Shares pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. As described above, since it is planned that the number of Company Shares held by the shareholders of the Company (excluding the Tender Offeror and Nippon Steel) who did not tender their shares in the Dual Tender Offers will become a fraction less than one (1) share for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Company, the shareholders of the Company who oppose the Share Consolidation will be able to file the petition stated above. Furthermore, in the event such petition is filed, the purchase price of the Company Shares will be ultimately determined by the court.

With respect to the procedure described above, the method of implementation and timing thereof may be changed due to the amendment or enforcement of the relevant laws and regulations or the interpretation by the authorities of the relevant laws and regulations. However, even in such cases, if the Tender Offer is completed, the Tender Offeror intends to adopt a method that will eventually pay cash to the shareholders of the Company (excluding the Tender Offeror and Nippon Steel) who did not tender their shares in the Tender Offer and calculate the amount of cash to be paid to each of the shareholders so as to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Company Shares held by such shareholders.

Specific procedures and the schedule thereof in each case above will be announced promptly by the Company once they are determined through mutual discussions between the Tender Offeror and the Company.

The Tender Offeror does not intend to solicit an affirmative vote by the shareholders of the Company at the Extraordinary Shareholders' Meeting. The shareholders of the Company should consult with tax accountants or other professionals at their own responsibility regarding the tax implications of tendering their shares in the Dual Tender Offers or any of the procedures above.

(5) Prospect of Delisting, Etc. and Reasons Therefor

As of today, the Company Shares are listed on the Prime Market of the TSE, Inc. However, because the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company Shares may be delisted through the prescribed procedures in accordance with the delisting criteria established by the TSE. In addition, even if the Company Shares do not meet the delisting criteria at the time the Tender Offer is completed, the Company Shares may be delisted through the prescribed procedures in accordance with the delisting criteria established by the TSE, depending on the results of the Tender Offer for Share Repurchase. Furthermore, even if the Company Shares do not meet the delisting criteria upon completion of the Dual Tender Offers, if the Squeeze-Out Procedures described in "(4) Policy for Organizational Restructuring, etc. after Dual Tender Offers" above are implemented after the completion of the Dual Tender Offers, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria established by the TSE. After the delisting, the Company Shares may not be traded on the Prime Market of the TSE. For the reasons why the delisting is contemplated, the impact on the general shareholders and the Company's views thereon, please refer to "(B) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers, and Management Policy After Dual Tender Offers" under "(2) Grounds and Reasons for the Opinion" above and "(4) Policy for Organizational Restructuring, etc. after Dual Tender Offers" above.

(6) Material Agreements Relating to Dual Tender Offers

(A) Basic Agreement

The Tender Offeror and Nippon Steel have informed the Company that, on July 31, 2026, they entered into the Basic Agreement with respect to the Transactions, pursuant to which they agreed that: (i) Nippon Steel will not tender any of the Company Shares it owns (7,861,280 shares; Ownership Ratio: 33.36%) in the Tender Offer; (ii) Nippon Steel will tender the Shares to Be Tendered for the Tender Offer for Share Repurchase that it owns in the Tender Offer for Share Repurchase, and will not tender the Shares Not to Be Tendered for the Tender Offer for Share Repurchase (3,140,842 shares; Ownership Ratio: 13.33%) in the Tender Offer for Share Repurchase; (iii) if the Tender Offeror is unable to acquire all of the Company Shares (excluding the Company Shares owned by the Tender Offeror and Nippon Steel and the treasury shares owned by the Company) through the Tender Offer, the Tender Offeror will request the Company, after the completion of the Tender Offer, to convene the Extraordinary Shareholders' Meeting; and (iv) Nippon Steel will vote in favor of the proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting.

More specifically, the Tender Offeror and Nippon Steel have informed the Company that they agreed to the following under the Basic Agreement:

(a) If the Tender Offer is commenced, Nippon Steel shall not tender any of the Company Shares it owns in the Tender Offer.

(b) If the Tender Offer is successfully completed, the Tender Offeror shall request the Company to commence the Tender Offer for Share Repurchase as promptly as reasonably practicable in accordance with the provisions of the Tender Offer Agreement.

(c) If the Tender Offer for Share Repurchase is commenced, Nippon Steel shall, at such time as is reasonably practicable, tender all of the Shares to Be Tendered for the Tender Offer for Share Repurchase in the Tender Offer for Share Repurchase, shall not thereafter withdraw such tender, shall not terminate the agreement formed as a result of such tender with respect to the Shares to Be Tendered for the Tender Offer for Share Repurchase, and shall not tender any of the Shares Not to Be Tendered for the Tender Offer for Share Repurchase, subject to the satisfaction of the following conditions:

    (i). all procedures necessary for the commencement of the Tender Offer for Share Repurchase have been duly completed in accordance with the Act and other applicable laws and regulations, the Tender Offer for Share Repurchase has been lawfully commenced in accordance with the Basic Agreement, and has not thereafter been withdrawn;

    (ii). no judgment, order or other action of any judicial or administrative authority exists that restricts or prohibits the Tender Offer for Share Repurchase;

    (iii). Nippon Steel's tender of the Shares to Be Tendered for the Tender Offer for Share Repurchase in the Tender Offer for Share Repurchase does not violate any applicable laws or regulations.

    (iv). the Tender Offer having been successfully completed and settled in accordance with this Basic Agreement.

Notwithstanding the foregoing, Nippon Steel may, at its sole discretion, waive any or all of the foregoing conditions and perform the obligations described above.

(d) The Tender Offeror and Nippon Steel shall cooperate with each other in implementing the Squeeze-Out Procedures, subject to the successful completion of the Tender Offer. As promptly as reasonably practicable after the successful completion of the Tender Offer, the Tender Offeror shall request the Company, as part of the Squeeze-Out Procedures, to convene the Extraordinary Shareholders' Meeting. Nippon Steel, in its capacity as a shareholder of the Company, shall exercise the voting rights attached to the Company Shares it owns in favor of the proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting.

(e) Promptly after the execution of the Basic Agreement, the Tender Offeror shall use reasonable efforts to lawfully complete all filings and other procedures required under applicable competition laws and regulations and with judicial or administrative authorities in connection with the implementation of the Transactions (the "Regulatory Procedures"), and shall use reasonable efforts to obtain the required clearances in respect of the Regulatory Procedures (the "Clearances"). Nippon Steel shall, by itself or through its subsidiaries, provide the Tender Offeror, within reasonable and appropriate timeframes and in an appropriate manner, with such information and other cooperation as the Tender Offeror may reasonably request in connection with the completion of the Regulatory Procedures and the obtaining of the Clearances.

(f) During the period from the date of the Basic Agreement until the effective date of the Share Consolidation, except as expressly provided in the Basic Agreement, Nippon Steel shall not transfer, create any security interest over, or otherwise dispose of all or any part of the Company Shares it owns (including, without limitation, by tendering such shares into any tender offer other than the Tender Offer or the Tender Offer for Share Repurchase), nor shall it acquire any Company Shares or any rights relating to the Company.

(g) During the period from the date of the Basic Agreement until the effective date of the Share Consolidation, Nippon Steel shall not, either directly or indirectly, by itself or through any other person, engage in any act that competes with, conflicts with, or is inconsistent with, or is reasonably likely to compete with, conflict with, or be inconsistent with, the Tender Offer, the Tender Offer for Share Repurchase, or any other transaction contemplated by the Basic Agreement, including, without limitation, entering into any agreement with a third party, making or soliciting any offer, accepting any proposal, engaging in discussions or negotiations, making any solicitation, or providing information. If Nippon Steel receives from any third party other than the Tender Offeror any solicitation, proposal, provision of information, or offer relating to any such act, it shall immediately notify the Tender Offeror thereof and of the details thereof, and shall consult with the Tender Offeror in good faith regarding its response to such third party.

(h) During the period from the date of the Basic Agreement until the effective date of the Share Consolidation, except as expressly provided in the Basic Agreement, Nippon Steel shall not, without the Tender Offeror's prior written consent, exercise its right to demand the convocation of a shareholders' meeting under Article 297 of the Companies Act or its shareholder proposal rights under Articles 303 through 305 of the Companies Act.

(i) During the period from the date of the Basic Agreement until the effective date of the Share Consolidation, except as expressly provided in the Basic Agreement, if Nippon Steel is entitled to exercise voting rights at any shareholders' meeting of the Company, it shall exercise the voting rights attached to the Company Shares it owns against: (i) any proposal regarding the distribution or other disposition of surplus; (ii) any shareholder proposal that could interfere with the implementation of the Transactions; and (iii) any proposal that, if approved, would or could reasonably be expected to have a material adverse effect on the Company's financial condition, operating results, cash flows, business, assets, liabilities, or future earnings plans or outlook.

(j) If Nippon Steel tenders the Shares to Be Tendered for the Tender Offer for Share Repurchase in accordance with the Basic Agreement and the Tender Offer for Share Repurchase is successfully completed, and if a shareholders' meeting of the Company, the record date for the exercise of rights at which falls prior to the commencement date of settlement of the Tender Offer for Share Repurchase, is held on or after such settlement commencement date, Nippon Steel shall exercise the voting rights and all other rights attached to the Shares to Be Tendered for the Tender Offer for Share Repurchase in accordance with the Tender Offeror's instructions and shall take such measures, if any, as may be reasonably necessary to ensure that the Tender Offeror's intentions are appropriately reflected.

(k) During the period from the date of the Basic Agreement until the effective date of the Share Consolidation, the Tender Offeror shall not exercise any shareholder rights or engage in any other act that conflicts with or is inconsistent with the purpose and intent of the Transactions, the Basic Agreement, or the Shareholders Agreement, including, without limitation, accepting any proposal from a third party other than the Tender Offeror to acquire all or part of the Company Shares.

The Tender Offeror and Nippon Steel have informed the Company that the Basic Agreement provides that it shall terminate upon the occurrence of any of the following events:

(i) the Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations;

(ii) the aggregate number of share certificates, etc. tendered in the Tender Offer does not reach the minimum number of shares to be purchased; or

(iii) Nippon Steel and the Tender Offeror agree in writing to terminate the Basic Agreement.

In addition, the Tender Offeror and Nippon Steel have informed the Company that the Basic Agreement may be terminated by either party upon the occurrence of any of the following events:

(i). the other party (which, with respect to the Tender Offeror, means Nippon Steel, and with respect to Nippon Steel, means the Tender Offeror; the same applies hereinafter in this (A) where the term "other party" is used) materially breaches any of its obligations under the Basic Agreement;

(ii). any of the representations and warranties of the other party (Note 2) proves to have been materially inaccurate or breached;

(iii). any insolvency or similar proceedings are commenced against the other party; or

(iv). the Tender Offer is not commenced by December 31, 2027, for reasons not attributable to the terminating party.

Note 1: Under the Basic Agreement, the Tender Offeror has represented and warranted to Nippon Steel with respect to: (i) its legal capacity and authority; (ii) the execution and performance of the Basic Agreement; (iii) the enforceability of the Basic Agreement; (iv) the obtaining of all necessary permits, licenses and approvals; (v) the absence of any conflict with applicable laws and regulations; (vi) the absence of insolvency or similar proceedings; (vii) the absence of any dealings with anti-social forces; and (viii) the availability of the funds necessary to consummate the Transactions.

(B) Tender Offer Agreement

The Company entered into the Tender Offer Agreement with the Tender Offeror on July 31, 2026, which provides, among other things, as follows:

(a) The Company shall, on the date of execution of the Tender Offer Agreement, adopt a resolution of its board of directors expressing its opinion in support of the Tender Offer. The Company shall maintain such opinion in support of the Tender Offer from the date of execution of the Tender Offer Agreement until the Expiration Date of the Tender Offer Period and shall not adopt any resolution of its board of directors withdrawing or changing such opinion. However, if, by the Expiration Date of the Tender Offer Period, (i) a Qualified Competing Tender Offer (as defined below) is commenced by a person other than the Tender Offeror or (ii) the Company receives a bona fide, specific and feasible proposal relating to a Qualified Competing Tender Offer (a "Competing Proposal"), the Company may request the Tender Offeror to discuss a change to the Tender Offer Price. If the Company makes such request, the Tender Offeror shall discuss in good faith with the Company a possible change to the Tender Offer Price. If, by the earlier of (x) the date falling five business days after such request is made and (y) the business day immediately preceding the Expiration Date of the Tender Offer Period (or, if such request is made after the business day immediately preceding the Expiration Date of the Tender Offer Period, promptly after such request), the Tender Offeror does not make a legally binding revised proposal in writing or by electronic record to increase the Tender Offer Price to an amount not less than the consideration offered in such Qualified Competing Tender Offer, the Company may withdraw or change its opinion in support of the Tender Offer only if the consideration offered in the Qualified Competing Tender Offer or Competing Proposal exceeds the revised Tender Offer Price and either (A) the Company reasonably determines that maintaining its opinion in support of the Tender Offer could constitute a breach of the directors' duty of care or (B) the Special Committee advises or reports that the Company should withdraw or change its opinion in support of the Tender Offer.

(b) The Company shall commence the Tender Offer for Share Repurchase, subject to the satisfaction of the following conditions: (i) the Tender Offer has been lawfully and validly consummated in accordance with the Tender Offer Agreement; and (ii) no judgment, order or other action of any judicial or administrative authority exists that restricts or prohibits the Transactions. Notwithstanding the foregoing, the Company may, at its sole discretion, waive either or both of the foregoing conditions and perform its obligation to commence the Tender Offer for Share Repurchase.

(c) The Tender Offeror shall use its commercially reasonable best efforts to cause Nippon Steel, if the Tender Offer for Share Repurchase is commenced, to tender all of the Shares to Be Tendered for the Tender Offer for Share Repurchase in accordance with the Basic Agreement at such time as is reasonably practicable (but no later than the business day immediately preceding the last day of the tender offer period for the Tender Offer for Share Repurchase), not to withdraw such tender thereafter, not to terminate the agreement formed as a result of such tender with respect to such shares, and not to tender any of the Shares Not to Be Tendered for the Tender Offer for Share Repurchase.

(d) Following the successful completion of the Tender Offer for Share Repurchase, the Company shall, as promptly as reasonably practicable, convene an extraordinary shareholders' meeting including as an agenda item the share consolidation as part of the Squeeze-out Procedures for the purpose of making the Tender Offeror and Nippon Steel the only shareholders of the Company. The record date for such extraordinary shareholders' meeting shall be set as close as reasonably practicable after the successful completion of the Tender Offer.

(e) From the date of execution of the Tender Offer Agreement until the completion of the Squeeze-out Procedures, the Company shall be subject to the deal protection provisions described above; provided, however, that the exceptions relating to a Qualified Competing Tender Offer and a Competing Proposal shall apply in the circumstances specified in paragraph (a) above.

(f)If the Company receives from any person other than the Tender Offeror any proposal, solicitation, request for information or offer relating to a Competing Transaction during the period from the date of execution of the Tender Offer Agreement until the completion of the Squeeze-out Procedures, the Company shall promptly notify the Tender Offeror thereof and of the contents of such proposal, solicitation, request or offer to the extent necessary and reasonable, and shall consult with the Tender Offeror in good faith regarding its response.

The Tender Offer Agreement further provides that it shall terminate if (i) the Tender Offeror and the Company agree in writing to terminate the Tender Offer Agreement, (ii) the Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations, or (iii) the number of shares tendered in the Tender Offer does not reach the minimum number of shares to be purchased.

The Tender Offer Agreement also provides that either party may terminate the Tender Offer Agreement if (i) the other party materially breaches its obligations under the Tender Offer Agreement, (ii) the other party materially breaches its representations and warranties, or (iii) the Company withdraws or changes its opinion in support of the Tender Offer without breaching its obligations under the Tender Offer Agreement; provided, however, that if the Tender Offer is successfully completed after such termination pursuant to item (iii), such termination shall be deemed never to have occurred and the Tender Offer Agreement shall automatically revive and continue in full force and effect.

Under the Tender Offer Agreement, the Tender Offeror has represented and warranted to the Company with respect to: (i) its legal capacity and authority; (ii) the execution and performance of the Tender Offer Agreement; (iii) the enforceability of the Tender Offer Agreement; (iv) the absence of any conflict with applicable laws and regulations; (v) the absence of insolvency or similar proceedings; (vi) the absence of any dealings with anti-social forces; and (vii) the availability of the funds necessary to consummate the Transactions.

The Company has represented and warranted to the Tender Offeror with respect to: (i) its legal capacity and authority; (ii) the execution and performance of the Tender Offer Agreement; (iii) the enforceability of the Tender Offer Agreement; (iv) the absence of any conflict with applicable laws and regulations; (v) the absence of insolvency or similar proceedings; (vi) the absence of any dealings with anti-social forces or similar persons; (vii) the issuance of the Company Shares; (viii) the financial statements; (ix) the absence of any material subsequent events; (x) contingent liabilities; (xi) the business plan; (xii) contractual relationships; (xiii) assets; (xiv) intellectual property rights and related matters; (xv) employment and labor matters; (xvi) taxes and public charges; (xvii) litigation and other disputes; (xviii) compliance with applicable laws and regulations and permits and licenses; (xix) the absence of undisclosed material facts; and (xx) the accuracy of the disclosure documents..

(7) Other Material Matters Concerning the Tender Offer

From the perspective of maintaining confidentiality during the consideration of the Transactions, the Tender Offeror did not explain the Tender Offer to Naikai Tug Boat prior to the public announcement of Dual Tender Offers and has not entered into any agreement with Naikai Tug Boat, a wholly owned subsidiary of the Tender Offeror, with respect to all of the Company Shares held by Naikai Tug Boat in relation to Dual Tender Offers. However, following the public announcement of Dual Tender Offers, the Tender Offeror intends to request Naikai Tug Boat to tender all of the Company Shares held by it, consisting of 45,800 Company Shares (Ownership Ratio: 0.19%), in the Tender Offer. The Tender Offeror does not intend to enter into a tender agreement with Naikai Tug Boat.

4. Details of provision of benefits by the Tender Offeror or its special related parties

Not applicable.

5. Policies on Handling of the Basic Policies on Control of the Company

Not applicable.

6. Questions to the Tender Offeror

Not applicable.

7. Request for extension of the Tender Offer Period

Not applicable.

8. Future Prospects

Please refer to "(B) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct Dual Tender Offers, and Management Policy After Dual Tender Offers" under "(2) Grounds and Reasons for the Opinion," "(4) Policy for Organizational Restructuring, etc. after Dual Tender Offers," and "(5) Prospect of Delisting and Reasons Therefor" in "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer."

9. Matters Concerning MBO, etc.

(1) Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

The Tender Offeror constitutes an other affiliated company of the Company, and the "Matters to be Observed concerning MBOs, etc." prescribed in Article 441 of the Securities Listing Regulations apply to the Transactions, including the Tender Offer.

With respect to the Transactions, including the Tender Offer, the Company has taken measures to ensure fairness and measures to avoid conflicts of interest, as described in "(3) Measures to Ensure the Fairness of Dual Tender Offers" under "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer."

(2) Opinion of the Special Committee that the Transactions Are Fair to the General Shareholders

In addition, as described in "(D) Establishment of an Independent Special Committee and Acquisition of a Special Committee Report by the Company" under "(3) Measures to Ensure the Fairness of Dual Tender Offers" under "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" above, the Company has received the Special Committee Report from the Special Committee stating that the Transactions, including the Tender Offer, are fair to the general shareholders of the Company. For details of the Special Committee Report, please refer to Attachment 1.

10. Other Matters

(1) Publication of the "Company Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (under Japanese GAAP)"

On July 31, 2026, the Company announced the "Summary of Company Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (Japanese GAAP)." Based on such announcement, the Company's operating results for the relevant period are as follows. The financial information has not been reviewed by the independent auditor pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act. For details, please refer to the relevant announcement.

(i) Operating results (consolidated)

Accounting period	Cumulative First Quarter of the Fiscal Year Ending March 31, 2027 (April 1, 2026 – June 30, 2026)
Net sales	JPY 67,333 million
Operating profit	JPY 7,324 million

Ordinary profit	JPY 7,201 million
Profit attributable to owners of parent	JPY 6,111 million

(ii) Per share information (consolidated)

Accounting period	Cumulative First Quarter of the Fiscal Year Ending March 31, 2027 (April 1, 2026 – June 30, 2026)
Net assets per share	JPY 8,024.53
Basic earnings per share	JPY 259.31

(2) Publication of “Notice Concerning Revision to Dividend Forecasts for the Fiscal Year Ending March 31, 2027 (No Dividend)”

The Company resolved at the meeting of its board of directors held today, subject to the successful completion of the Tender Offer, in light of the scheduled commencement of the Tender Offer for the Company Shares by the Tender Offeror, to revise the dividend forecast for the fiscal year ending March 31, 2027, which was announced on April 30, 2026, and not to pay a dividend of surplus with a record date of September 30, 2026 (end of the second quarter) or a dividend of surplus with a record date of March 31, 2027 (end of the fiscal year). For details, please refer to the relevant announcement.

End

(Reference)

- Special Committee Report (Attachment 1)
- “Notice Concerning the Scheduled Commencement of the Tender Offer for the Shares of NS UNITED KAIUN KAISHA, LTD. (Securities Code: 9110),” dated July 31, 2026 (Attachment 2)

U.S. Regulations
The Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed under the Financial Instruments and Exchange Act of Japan. However, such procedures and standards are not necessarily the same as those applicable in the United States. In particular, the Tender Offer is not subject to Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Securities Exchange Act of 1934"), or the rules promulgated thereunder, and the Tender Offer will not be conducted in accordance with such procedures or standards.
The financial information contained in this press release has not been prepared in accordance with U.S. accounting standards and, therefore, may not be comparable to the financial information of U.S. companies. Furthermore, because the Tender Offeror and the Company are corporations incorporated outside the United States and all or some of their directors and officers are non-U.S. residents, it may be difficult to exercise rights or assert claims against them based on the U.S. securities laws. In addition, it may not be possible to commence legal proceedings against such corporations or their directors and officers in courts outside the United States based on violations of the U.S. securities laws. Furthermore, such corporations and their directors and officers may not necessarily be subject to the jurisdiction of U.S. courts.
Unless otherwise specified, all procedures relating to the Tender Offer will be conducted in Japanese. Although some or all of the documents relating to the Tender Offer may be prepared in English, in the event of any discrepancy between the English-language documents and the Japanese-language documents, the Japanese-language documents shall prevail.
The Tender Offeror and its affiliates, the respective financial advisors of the Tender Offeror and the Company, and the tender offer agent (including their respective affiliates) may, within the scope of their ordinary course of business and to the extent permitted under the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations, purchase or take actions to purchase the Company Shares for their own account or for their customers' accounts otherwise than pursuant to the Tender Offer prior to the commencement of, or during, the Tender Offer Period, in accordance with Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934. If information regarding such purchases is disclosed in Japan, such information will also be disclosed in English on the English-language website of the person making such purchases.

Forward-Looking Statements
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. Actual results may differ materially from those expressed or implied in any forward-looking statements due to known or unknown risks, uncertainties, and other factors. Neither the Tender Offeror nor its affiliates guarantees that any projections, expectations, or forecasts expressed or implied in such forward-looking statements will prove to be correct. The forward-looking statements contained in this press release are based on information available to the Tender Offeror as of the date of this press release. Unless required by applicable laws and regulations or the rules of any financial instruments exchange, neither the Tender Offeror nor its affiliates undertakes any obligation to update or revise such forward-looking statements to reflect future events or circumstances.

THE SPECIAL COMMITTEE REPORT

To: NS UNITED KAIUN KAISHA, LTD.

July 31, 2026

Special Committee of NS UNITED KAIUN KAISHA, LTD.

Chairperson: Setsu Onishi
(Independent outside director, NS UNITED KAIUN KAISHA, LTD.)
Member: Masako Yoshida
(Independent outside director, NS UNITED KAIUN KAISHA, LTD.)
Member: Keisuke Takegahara
(Independent outside director, NS UNITED KAIUN KAISHA, LTD.)
Member: Riyo Kano
(Independent outside director, NS UNITED KAIUN KAISHA, LTD.; Attorney-at-Law)

I. Matters Submitted to the Special Committee

The matters submitted by the board of directors of NS UNITED KAIUN KAISHA, LTD. (the "Company") to the Special Committee (as defined below; the same shall apply hereinafter) for consultation (the "Consultation Matters") in connection with (i) the tender offer by Nippon Yusen Kabushiki Kaisha (the "Tender Offeror") for all of the common shares of the Company (the "Company Shares") (excluding, however, the Company Shares owned by the Tender Offeror and Nippon Steel Corporation ("Nippon Steel") and the treasury shares owned by the Company) (the "Tender Offer"), (ii) the tender offer by the Company for its own shares (the "Tender Offer for Share Repurchase" and together with the Tender Offer, the "Dual Tender Offers"), and (iii) a series of transactions to be implemented for the purpose of taking the Company private, including the squeeze-out procedures to be conducted thereafter (the "Squeeze-Out Procedures") (collectively, the "Transactions"), are as follows:

(1) The legitimacy and reasonableness of the purpose of the Transactions (including whether the Transactions would contribute to the enhancement of the Company's corporate value);
(2) The fairness and reasonableness of the terms and conditions of the Transactions (including whether the level of the purchase price in the Dual Tender Offers, the acquisition structure, the form of consideration, and other transaction terms are fair);
(3) The fairness of the procedures relating to the Transactions (including whether sufficient measures have been taken to ensure the fairness of the transaction terms);
(4) Whether, in light of the matters described in (1) through (3) and all other relevant circumstances, the Transactions should be considered fair to the Company's general

shareholders; and

(5) Whether, in light of the matters described in (1) through (4) and all other relevant circumstances, it would be appropriate for the board of directors of the Company to express its opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

II. Composition of the Special Committee

The Special Committee consists of the following members. Each of the four members listed below is independent from the Company Group (meaning the corporate group consisting of the Company, its 67 subsidiaries and 5 affiliated companies as of the date of this Special Committee Report; the same shall apply hereinafter), the Tender Offeror Group (meaning the corporate group consisting of the Tender Offeror, its 575 consolidated subsidiaries and 250 equity-method affiliates (including the Company) as of June 30, 2026; the same shall apply hereinafter), Nippon Steel, and the success or failure of the Transactions.

- Chairperson Setsu Onishi (Independent outside director of the Company)
- Member Masako Yoshida (Independent outside director of the Company)
- Member Keisuke Takegahara (Independent outside director of the Company)
- Member Riyo Kano (Independent outside director of the Company; Attorney-at-Law)

III. Process and Method of Deliberations by the Special Committee

The Special Committee held a total of 15 meetings during the period from its first meeting on February 27, 2026 to its 15th meeting on July 30, 2026 (collectively or individually, the "Committee Meetings"). In addition, outside the Committee Meetings, the members collected information through e-mail and other means and conducted discussions whenever necessary. Following careful deliberation and examination of the Consultation Matters, the Special Committee completed its deliberations and, at its fifteenth Committee Meeting, resolved to issue its report on the Consultation Matters. The specific process and method of the Special Committee's deliberations with respect to the Consultation Matters are as follows (the various materials submitted to the Special Committee are hereinafter collectively referred to as the "Review Materials"):

(1) The Special Committee approved the appointment of Mizuho Securities Co., Ltd. ("Mizuho Securities"), which had been appointed by the Company as its financial advisor and third-party valuation institution, and Tokyo International Law Office ("TKI"), which had been appointed by the Company as its legal advisor, after determining that each possessed sufficient expertise and experience and was independent from the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. The Special Committee also received professional advice from Mizuho Securities and TKI as necessary. In addition, after determining that Plutus Consulting Co., Ltd. ("Plutus") possessed sufficient expertise and experience and was likewise independent from the

Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, the Special Committee appointed Plutus as its own independent third-party valuation institution and received professional advice from Plutus as necessary.

(2) The Company explained, through written responses and interviews conducted at the Committee Meetings, the status of its evaluation of and deliberations on the Tender Offeror's proposal, the discussions with the Tender Offeror, its evaluation of and deliberations on the Company's business environment and the impact of the Transactions on the Company's corporate value, and the contents of and process for preparing the Company's business plan entitled Business Plan (From the Fiscal Year Ending March 2027 to the Fiscal Year Ending March 2030), dated April 28, 2026 (the "Business Plan"). The Special Committee conducted questions and answers regarding these matters.

(3) The Tender Offeror explained, through written responses and interviews conducted at the Committee Meetings, the background leading to its proposal of the Transactions, the significance and purpose of the Transactions, the anticipated synergies, its management policy and business collaboration following the Transactions, the structure and anticipated schedule of the Transactions, the purchase price of the Tender Offer and the other transaction terms. The Special Committee conducted questions and answers regarding these matters.

(4) Nippon Steel explained, through written responses, the background and substance of its discussions with the Tender Offeror concerning the Transactions, as well as the reasons why it intends to continue holding the Company Shares following the Transactions. The Special Committee conducted questions and answers regarding these matters.

(5) Mizuho Securities, acting as the Company's financial advisor and third-party valuation institution, provided timely explanations regarding the details and progress of the Transactions, the methodologies and results of its valuation of the Company Shares, and the status of discussions and negotiations with Nomura Securities Co., Ltd. ("Nomura Securities"), the Tender Offeror's financial advisor. The Special Committee conducted questions and answers regarding these matters and, by expressing its views to the Company on multiple occasions regarding the purchase price of the Tender Offer, and the other transaction terms, was substantively involved in the negotiation process with the Tender Offeror.

(6) Plutus, acting as the Special Committee's own third-party valuation institution, explained the valuation analyses and results of its valuation of the Company Shares, and the Special Committee conducted questions and answers regarding these matters.

(7) TKI, acting as the Company's legal advisor, provided legal advice regarding the measures taken to ensure the fairness of the procedures for the Transactions and to avoid conflicts of interest, the procedures relating to the Transactions, the manner in which the Special Committee should conduct its deliberations, and all legal matters relating to the Transactions, including negotiations with the Tender Offeror concerning the purchase price of the Tender Offer and the other transaction terms. The Special Committee conducted questions and answers regarding these matters.

IV. Conclusions of the Special Committee

The Special Committee, as a result of the foregoing review and careful deliberations, unanimously resolved to respond to the Consultation Matters as follows (the contents of such response are hereinafter referred to as the "Conclusions"):

(1) The Transactions would contribute to the enhancement of the Company's corporate value, and accordingly, the purpose of the Transactions is considered to be legitimate and reasonable.

(2) The terms and conditions of the Transactions, including the level of the purchase price in the Dual Tender Offers, the acquisition structure, the form of consideration, and the other transaction terms, are considered to be fair and reasonable.

(3) The procedures relating to the Transactions are considered to be fair.

(4) In light of the matters described in (1) through (3) above and all other relevant circumstances, the Transactions are considered to be fair to the Company's general shareholders.

(5) In light of the matters described in (1) through (4) above and all other relevant circumstances, it is considered appropriate for the board of directors of the Company to express its opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

V. Reasons for the Conclusions

The reasons for the Conclusions are as follows.

1. Overview of the Transactions

The Transactions are expected to be implemented in accordance with the following transaction structure (the "Transaction Structure"):

(1) Implementation of the Tender Offer

The Tender Offeror will commence the Tender Offer for the Company Shares. Nippon Steel will not tender any of the 7,861,280 Company Shares that it owns in the Tender Offer.

(2) Implementation of the Tender Offer for Share Repurchase

The Company will commence the Tender Offer for Share Repurchase, subject to, among other things, the successful completion of the Tender Offer. Of the Company Shares owned by Nippon Steel, Nippon Steel will tender 4,720,438 shares (ownership ratio: 20.03%; the "Shares to Be Tendered for Share Repurchase") in the Tender Offer for Share Repurchase, and will not tender the remaining 3,140,842 shares (ownership ratio: 13.33%; the "Shares Not to Be Tendered for Share Repurchase") in the Tender Offer for Share Repurchase.

(3) Implementation of the Squeeze-Out Procedures

If, as a result of the Tender Offer, the Tender Offeror is unable to acquire all of the Company Shares (excluding, however, the Company Shares owned by the Tender Offeror and Nippon Steel and the treasury shares owned by the Company), then, following the settlement of the Tender Offer for Share Repurchase, the Company will implement the Squeeze-Out Procedures in order to make the Tender Offeror and Nippon Steel the only shareholders of the Company. Such procedures will include the implementation of a share consolidation pursuant to Article 180 of the Companies Act (the "Share Consolidation") and the convening of an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") at which a proposal will be submitted to amend the Articles of Incorporation to abolish the share unit provisions, conditional upon the Share Consolidation becoming effective. Upon completion of the Squeeze-Out Procedures, the Tender Offeror and Nippon Steel will be the only shareholders of the Company, and their respective ownership ratios in the Company will be 83.33% and 16.67%.

2. Legitimacy and Reasonableness of the Purpose of the Transactions (Consultation Matter (1))

(1) The Company's Business, Business Environment and Management Challenges

(a) The Company's Business

Based on the explanations received by the Special Committee from the Company and the Review Materials, the Company's business is as described below. The Special Committee also considers that there is nothing unreasonable in the Company's understanding of its business.

The Company Group primarily operates the dry bulk business as part of its maritime shipping and shipping-related businesses. Under the medium-term business plan, "FORWARD 2030 II Challenge for innovation and further growth with U," formulated by the Company Group in March 2024 (the "Current Medium-term Business Plan"), the vision for 2030 is defined as "Aiming to become an indispensable presence for clean and sustainable maritime transport services, we will continue to innovate in collaboration with stakeholders and further enhance our corporate value," and the Company Group is executing its management strategy toward sustainable growth and maximizing corporate value through efforts to achieve carbon neutrality. Specifically, the Company Group lists "Expansion of New Growth Business Areas" and "Deepening of Existing Core Business Areas" as its business strategies, and as initiatives to support these business strategies, it is further strengthening its efforts toward (i) human capital strategy, (ii) sustainable shipping strategy, (iii) enhancement of governance, and (iv) DX strategy.

(b) The Company's Business Environment and Management Challenges

Based on the explanations received by the Special Committee from the Tender Offeror and the Company and the Review Materials, the Tender Offeror recognizes the Company's business environment and management challenges as described below. The Company has also explained that it generally shares the same understanding. The Special Committee likewise considers that such understanding is consistent with the business and market environment generally described for the industry to which the Company belongs and that there is nothing unreasonable in such understanding.

Turning to the environment surrounding the dry bulk business, this market is the largest segment of the ocean transportation market, accounting for approximately 6 billion metric tons of the global maritime freight volume of approximately 13 billion metric tons (Source: 2025 Outlook for the Dry-Bulk and Tanker Shipping Markets), and the Tender Offeror recognizes it as an important business sector that serves as social infrastructure responsible for transporting essential commodities, such as iron ore, coal and grain, that underpin the global economy. On the other hand, this market is heavily influenced by fluctuations in the shipment volumes of iron ore, coal, grain and other commodities, which are driven by trends in the global economy, particularly infrastructure investment, steel production, and resource and energy policies in major demand countries such as China. Furthermore, the market is highly susceptible to factors such as shifts in trade flows caused by geopolitical risks and changes in the international political situation. In addition to having the characteristic that changes in the supply of and demand for shipping capacity are readily reflected in freight rates, shipping capacity is difficult to adjust in the short term, resulting in a market structure in which freight rates are prone to significant fluctuations.

Therefore, the market is far from one about which the Tender Offeror can be optimistic. With rapid changes in the external environment as described above, and while significant profit opportunities exist, the market has also been exposed to unpredictable potential risks; therefore, the Tender Offeror believes that it is necessary to swiftly execute a fundamental business transformation. In order to achieve stable earnings in such a highly uncertain business and to gain customer trust, the Tender Offeror believes that it is important to continually build a fleet portfolio that is prepared for market fluctuations, flexibly capture changes in the market environment and, at the same time, operate the business based on a consistent strategy from a long-term perspective.

In recent years, changes in the external environment surrounding the dry bulk business have become increasingly rapid, and responding swiftly and flexibly to these rapid changes has become extremely important for the development of the dry bulk business. For example, tighter environmental regulations taking climate change into account and the formulation of decarbonization policies by shippers are driving a rapid rise in the need for low-carbon transportation.

From the demand-side perspective, structural reforms of the dry bulk business in response to medium- to long-term changes in demand, including (i) changes in areas of demand due to economic growth in India and Southeast Asia, the slowdown of the Chinese economy, geopolitical factors and other factors, and (ii) changes in cargoes due to the decline in coal demand and the increase in demand for transportation of liquid cargoes, such as ammonia and liquefied carbon dioxide (CO_2), are necessary to continuously strengthen competitiveness. At the same time, from the supply-side perspective, it is anticipated that: (i) due to the worsening industry-wide labor shortage, the efficient deployment of seafarers and the stable securing of seafarers will become urgently necessary to ensure operational stability and safety; and (ii) as newbuilding prices rise, it will be necessary to secure an even stronger financial base, accumulate new investment know-how and practices, including those relating to environmentally responsive investments, and thereby achieve efficient investment.

(2) Significance of the Transactions

(a) Purpose of the Transactions and Measures to Enhance Corporate Value Envisioned by the Tender Offeror

Based on the explanations received by the Special Committee from the Tender Offeror and the Review Materials, the purpose of the Transactions and the measures to enhance corporate value envisioned by the Tender Offeror are as described below.

Specifically, the Tender Offeror believes that, in order to implement the measures described in (1)(b) above, it is necessary to establish a strong partnership between the Tender Offeror and the Company. The Tender Offeror highly values the Company's human resources, expertise and organizational strengths, particularly in the transportation of steel raw materials, as well as its customer base, long-standing business relationships and relationships of trust, track record of providing high-quality transportation services, and presence not only in the international shipping business but also in the domestic coastal shipping business. The Tender Offeror believes that, by further strengthening the capital relationship and cooperation between the Tender Offeror Group and the Company, it will be possible to realize strategic benefits such as: (a) further expanding its presence in the dry bulk transportation market; (b) continuously securing stable transportation demand through the Company's business and customer bases even in a business environment susceptible to fluctuations in shipping market conditions, accurately identifying customers' decarbonization and supply-chain enhancement needs, and creating opportunities for medium- to long-term collaboration; and (c) strengthening Japan's domestic logistics infrastructure supporting the transportation of steel, energy and resources by enhancing cooperation, including connectivity between the Company's domestic coastal shipping business and the Tender Offeror's international shipping business, and utilizing such infrastructure as a platform for the implementation of next-generation technologies and the development of maritime professionals.

However, the Tender Offeror believes that certain constraints currently apply to the sharing of customer and technical information and the mutual utilization of management resources because the Company remains a listed company and an equity-method affiliate of the Tender Offeror, with only a limited capital relationship between them, and because, from the perspective of competition law, each company is required to operate its business independently as a competitor of the other.

Furthermore, although the Tender Offeror believes that implementing measures from a medium- to long-term perspective, including the measures described above and below, will contribute to enhancing the corporate value of the Company and the Tender Offeror Group as a whole, such measures may, from a short-term perspective, result in a deterioration of the Company's business performance or financial condition and may not necessarily benefit the Company's minority shareholders. Accordingly, the Tender Offeror believes that, if the listing of the Company Shares were maintained, it might not be easy to obtain the understanding of the Company's minority shareholders regarding the implementation of such measures. In order to resolve these issues, the Tender Offeror determined that it would be desirable to make the Company a consolidated subsidiary of the Tender Offeror and to take the Company Shares private.

The Tender Offeror believes that, with a view to maximizing the corporate value of both the Tender Offeror and the Company, the Transactions will enable the realization of the following synergies:

a） Improvement in vessel deployment efficiency and reduction in costs through expansion of scale

The Tender Offeror recognizes that the Company is a global dry bulk shipping company with a fleet of 211 vessels under group operation (as of March 2026) and a transportation network connecting locations around the world. Furthermore, the Tender Offeror understands that, during the period covered by the previous medium-term business plan, from fiscal 2018 to fiscal 2022, the Company implemented structural reforms, including the sale of high-cost vessels and the early termination of time charter contracts, while developing its fleet primarily through newly built vessels, including 400,000-deadweight-ton iron ore carriers, and has continued to focus on maintaining and expanding a highly cost-competitive and high-quality fleet, including by planning replacement investments in vessels used in its existing businesses under the Current Medium-term Business Plan. By combining the Company's fleet with the Tender Offeror's fleet of 414 vessels operated in its dry bulk business (as of March 2026), the Tender Offeror believes that, by building a robust transportation network based on a larger fleet, it will be possible, in addition to their existing business activities, to pursue vessel deployment optimization and economies of scale in the procurement of fuel, vessels, funds and other resources. Specifically, the Tender Offeror believes that the following could be considered: (i) improving operational efficiency through optimal vessel deployment that takes into account the entire portfolios of vessels operated by, and shippers of, both companies; (ii) acquiring additional projects by improving the ability to make proposals to customers through the strengthening of the global transportation network; (iii) reducing costs through collective procurement, the review of terms and cross-company cost reduction initiatives relating to fuel, marine supplies, repairs, insurance and other items; and (iv) improving financing terms through enhanced creditworthiness.

Although no specific decisions have been made at this time, the Tender Offeror also believes that it would be possible to pursue cost benefits by partially introducing shared services for the corporate departments of both companies. In this regard, the Tender Offeror believes that it can provide its knowledge and existing frameworks based on precedents within the Tender Offeror Group.

b) Capturing new transportation demand resulting from decarbonization

The Tender Offeror recognizes that the Company has, through its long-standing track record in the ocean transportation of a wide range of cargoes, including steel raw materials, established a high level of expertise enabling it to respond flexibly to customer needs and the capability to provide high-quality ocean transportation services, and has also been actively making environmentally responsive investments in order to address the increasing demand for decarbonization from customers and society. The Tender Offeror also understands that, in order to realize its stated vision for 2030 of becoming "an indispensable presence in clean and sustainable ocean transportation," the Company is promoting environmentally responsive investments, including investments in methanol dual-fuel vessels, and expanding its transportation business in next-generation energy fields such as ammonia and hydrogen. Specifically, the Tender Offeror recognizes that the Company is steadily implementing measures for decarbonization and in next-generation energy fields, including establishing the "Next-Generation Fuel Acquisition Project Team" and entering into a shipbuilding contract for an LPG dual-fuel VLGC capable of carrying ammonia (VLGC being an abbreviation for "Very Large Gas Carrier" and referring to a large LPG carrier).

Meanwhile, the Tender Offeror has also been actively promoting environmentally responsive investments to meet society's demand for decarbonization and changing market needs. It has identified participation in the hydrogen and ammonia value chain as one of its new businesses and is aiming to expand its business in next-generation energy fields by leveraging the transportation expertise and know-how accumulated in its energy business.

In the field of transporting decarbonization-related cargoes, such as direct reduced iron, scrap, liquefied CO2, ammonia and hydrogen, the market is expected to grow, while advanced technological capabilities, transportation know-how, dedicated assets and customer bases are expected to constitute sources of competitiveness. In these fields, the Tender Offeror believes that, by combining the technological capabilities, transportation know-how, assets and customer bases that the Company and the Tender

Offeror have each cultivated, the following will become possible: (i) increasing the number of projects and the project pipeline through coordinated sales activities directed at shippers; (ii) increasing the possibility of participating in large-scale projects and partnerships with other companies that would be difficult to undertake independently; and (iii) reducing maintenance and operating costs through the standardization of vessel management.

Furthermore, with regard to environmentally responsive measures, the Tender Offeror believes that, by combining and mutually utilizing the technological knowledge and know-how of both companies regarding next-generation vessels, such as methanol dual-fuel vessels and ammonia dual-fuel vessels, it will be possible to improve investment efficiency and accelerate the capture of demand arising from environmental initiatives. Specifically, the following are anticipated: (i) reducing initial investment amounts through the joint development of next-generation fuel vessels and the consolidation of specifications and technological knowledge; and (ii) increasing orders for projects from shippers that place importance on environmental responsiveness. Environmentally responsive investment is a new theme for the industry as a whole and is an area requiring significant investment. Therefore, the Tender Offeror believes that, by combining the knowledge of both companies, they will be able to promote investments in next-generation vessels more efficiently and reliably.

c) Strengthening logistics infrastructure and next-generation shipping infrastructure, starting with the domestic coastal shipping business

The Tender Offeror recognizes that the Company has accumulated a long track record in the transportation of steel raw materials, energy, resources and other cargoes and also has a leading business foundation in Japan's domestic coastal shipping business. In particular, the domestic coastal shipping business serves as important logistics infrastructure supporting Japan's key industries, and the Tender Offeror understands that the Company has accumulated, through long-term business relationships with its customers, high-quality transportation capabilities, stable operational capabilities and operational know-how enabling it to respond promptly to customer needs.

Meanwhile, the Tender Offeror Group possesses a wide range of logistics capabilities, including not only a maritime transportation network focused on international transportation but also land transportation and warehouse management, and has been meeting the diverse logistics needs of its customers both domestically and internationally. The Tender Offeror believes that, by combining the logistics functions of the Tender Offeror Group, including international transportation, land transportation and warehouse management, with the Company's domestic coastal shipping business foundation, it will be possible to further strengthen the capability to provide comprehensive logistics services that integrally support customers' entire supply chains, from international transportation through domestic coastal transportation, domestic delivery and storage. The Tender Offeror also recognizes that the relationships of trust with customers that the Company has cultivated through its domestic coastal shipping business, as well as its operational know-how rooted in on-site operations, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the Tender Offeror believes that the domestic coastal shipping business plays an important role from the perspectives of implementing next-generation technologies and developing maritime professionals. Domestic vessels can readily be used, under a stable domestic operating environment, as a venue for the phased introduction and verification of autonomous vessels, environmentally responsive vessels, energy-saving technologies and digital technologies, and may serve as a platform for demonstrations and the accumulation of know-how with a view to future deployment on oceangoing vessels. The Tender Offeror also believes that on-site experience in operations management, vessel management, safety management and other areas within the domestic coastal shipping business is useful for the development of maritime professionals and the transfer of skills, and will contribute to enhancing the vessel operation capabilities and safety management capabilities of the Tender Offeror Group as a whole.

d） Optimizing personnel allocation, including at overseas locations, and facilitating the securing of personnel for growth through the mutual deployment of personnel

In recent years, seafarer shortages have become a serious problem in the shipping industry, and, with this trend expected to continue, the Tender Offeror believes that the importance of stably securing and effectively utilizing seafarers will further increase, not only to achieve sustainable transportation but also to ensure growth in new business fields going forward. In addition, in order to respond to shifts in areas of demand accompanying economic growth in India, Southeast Asia and other regions, the rapid and efficient establishment of overseas bases is also required.

Under such a business environment, the Tender Offeror envisages utilizing the human resource bases of both companies, including their seafarers, in a mutually complementary manner to achieve optimal personnel deployment, including at domestic and overseas locations, and to strengthen the securing of personnel required in growth areas, while also believing that it will be possible to improve the skills of the personnel of both companies and operational efficiency.

(b) The Company’s View

Based on the explanations received by the Special Committee from the Company and the Review Materials, the Company believes that the synergies described in a) through d) below can be realized through the Transactions, and has determined that the Transactions will contribute to the enhancement of the Company's corporate value.

a) Improvement in vessel deployment efficiency and reduction in procurement costs through expansion of scale

The Company is a global dry bulk shipping company with a fleet of 211 vessels under group operation (as of March 2026) and a transportation network connecting locations around the world. Furthermore, during the previous medium-term business plan period from fiscal 2018 to fiscal 2022, the Company took resolute steps to carry out structural reforms, including the sale of high-cost vessels and the early termination of time charter contracts, while promoting fleet development centered on newly built vessels, including 400,000-deadweight-ton iron ore carriers, and has continued to focus on maintaining and expanding a cost-competitive, high-quality fleet, including by planning replacement investments in vessels used in its existing businesses under the Current Medium-term Business Plan. By combining the Company's fleet with the Tender Offeror's fleet of 414 vessels operated in its dry bulk business (as of March 2026), the Tender Offeror believes that, by building a robust transportation network based on a larger fleet, it will be possible, in addition to their existing business activities, to pursue vessel deployment optimization and economies of scale in the procurement of fuel, vessels, funds and other resources. Specifically, the Tender Offeror believes that the following could be considered: (i) improving operational efficiency through optimal vessel deployment that takes into account the overall portfolios of vessels operated by, and shippers of, both companies; (ii) acquiring additional projects by improving the ability to make proposals to customers through the strengthening of the global transportation network; (iii) reducing costs through bulk procurement, the review of terms and cross-company cost reduction initiatives relating to fuel, marine supplies, repairs, insurance and other items; and (iv) improving financing terms through enhanced creditworthiness.

Although no specific decisions have been made at this time, the Tender Offeror also believes that it would be possible to pursue cost benefits by partially introducing shared services for the corporate departments of both companies. In this regard, the Tender Offeror believes that it would be possible to provide its knowledge and existing frameworks based on its prior experience.

b) Capturing new transportation demand resulting from decarbonization

The Company has, through its long-standing track record in the ocean transportation of a wide range of cargoes, including steel raw materials, established a high level of expertise enabling it to respond flexibly to customer needs and the capability to provide high-quality ocean transportation services, and has also actively promoted environmentally responsive investments in order to address the increasing demand for decarbonization from customers and society. In addition, in order to realize its stated vision for 2030 of becoming “an indispensable presence in clean and sustainable ocean transportation,” the Company has been promoting environmentally responsive investments, including investments in methanol dual-fuel vessels, and expanding its transportation business in next-generation energy fields such as ammonia and hydrogen. Specifically, the Company recognizes that it has steadily implemented measures for decarbonization and in next-generation energy fields, including establishing the “Next-Generation Fuel Acquisition Project Team” and entering into a shipbuilding contract for an LPG dual-fuel VLGC capable of carrying ammonia (VLGC being an abbreviation for “Very Large Gas Carrier” and referring to a large LPG carrier).

Meanwhile, the Company recognizes that the Tender Offeror has also actively promoted environmentally responsive investments to meet society’s demand for decarbonization and changing market needs. The Company also recognizes that the Tender Offeror has identified participation in the hydrogen and ammonia value chain as one of its new businesses and is aiming to expand its business in next-generation energy fields by leveraging the transportation expertise and know-how accumulated in its energy business.

In the field of transporting decarbonization-related cargoes, such as direct reduced iron, scrap, liquefied CO2, ammonia and hydrogen, the market is expected to grow, while advanced technological capabilities, transportation know-how, dedicated assets and customer bases are expected to constitute sources of competitiveness. In these fields, the Tender Offeror believes that, by combining the technological capabilities, transportation know-how, assets and customer bases that the Company and the Tender Offeror have each cultivated, the following will become possible: (i) increasing the number of projects and the project pipeline through coordinated sales activities directed at shippers; (ii) increasing the possibility of participating in large-scale projects and partnerships with other companies that would be difficult to undertake independently; and (iii) reducing maintenance and operating costs through the standardization of vessel management.

Furthermore, with regard to environmentally responsive measures, the Tender Offeror believes that, by combining and mutually utilizing the technological knowledge and know-how of both companies regarding next-generation vessels, such as methanol dual-fuel vessels and ammonia dual-fuel vessels, it will be possible to improve investment efficiency and accelerate the capture of demand arising from environmental initiatives. Specifically, the following are anticipated: (i) reducing initial investment amounts through the joint development of next-generation fuel vessels and the consolidation of specifications and technological knowledge; and (ii) increasing orders for projects from shippers that place importance on environmental responsiveness. Environmentally responsive investment is a new theme for the industry as a whole and is an area requiring significant investment. Therefore, the Tender Offeror believes that, by combining the knowledge of both companies, they will be able to promote investments in next-generation vessels more efficiently and reliably.

c) Strengthening logistics infrastructure and next-generation shipping infrastructure, starting with the domestic coastal shipping business

The Company has accumulated a long track record in the transportation of steel raw materials, energy, resources and other cargoes and also has a leading business foundation in Japan's domestic coastal shipping business. In particular, the domestic coastal shipping business serves as important logistics infrastructure supporting Japan's key industries, and the Company has accumulated, through long-term business relationships with its customers, high-quality transportation capabilities, stable operational capabilities and operational know-how enabling it to respond promptly to customer needs.

Meanwhile, the Company recognizes that the Tender Offeror Group possesses a wide range of logistics capabilities, including not only a maritime transportation network focused on international transportation but also land transportation and warehouse management, and has been meeting the diverse logistics needs of its customers both domestically and internationally. By combining the logistics functions of the Tender Offeror Group, including international transportation, land transportation and warehouse management, with the Company's domestic coastal shipping business foundation, the Tender Offeror believes that it will be possible to further strengthen the capability to provide comprehensive logistics services that integrally support customers' entire supply chains, from international transportation through domestic coastal transportation, domestic delivery and storage. The Tender Offeror also recognizes that the relationships of trust with customers that the Company has cultivated through its domestic coastal shipping business, as well as its operational know-how rooted in on-site operations, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the Tender Offeror believes that the domestic coastal shipping business plays an important role from the perspectives of implementing next-generation technologies and developing maritime professionals. Domestic vessels can readily be used, under a stable domestic operating environment, as a venue for the phased introduction and verification of autonomous vessels, environmentally responsive vessels, energy-saving technologies and digital technologies, and may serve as a platform for demonstrations and the accumulation of know-how with a view to future deployment on oceangoing vessels. The Tender Offeror also believes that on-site experience in operations management, vessel management, safety management and other areas within the domestic coastal shipping business is useful for the development of maritime professionals and the transfer of skills, and will contribute to enhancing the vessel operation capabilities and safety management capabilities of the Tender

Offeror Group as a whole.

d) Optimizing personnel allocation, including at overseas locations, and facilitating the securing of personnel for growth through the mutual deployment of personnel

In recent years, seafarer shortages have become a serious problem in the shipping industry, and, with this trend expected to continue, the Tender Offeror believes that the importance of stably securing and effectively utilizing seafarers will further increase, not only to achieve sustainable transportation but also to ensure growth in new business fields going forward. In addition, in order to respond to shifts in areas of demand accompanying economic growth in India, Southeast Asia and other regions, the rapid and efficient establishment of overseas bases is also required.

Under such a business environment, the Tender Offeror envisages utilizing the human resource bases of both companies, including their seafarers, in a mutually complementary manner to achieve optimal personnel deployment, including at domestic and overseas locations, and to strengthen the securing of personnel required in growth areas, while also believing that it will be possible to improve the skills of the personnel of both companies and operational efficiency.

(c) Evaluation by the Special Committee

The significance of the Transactions as contemplated by the Tender Offeror described in (a) above is based on the Company's management issues discussed above, and may be evaluated as being consistent with the significance of the Transactions as contemplated by the Company described in (b) above. In addition, the significance of the Transactions as contemplated by the Company described in (b) above does not appear to be unreasonable in light of the Company's management issues.

(3) Disadvantages of the Transactions

Based on the explanations received by the Special Committee from the Company and the Review Materials, the Company's understanding, as a result of its discussions with the Tender Offeror, regarding the disadvantages associated with the privatization of the Company Shares is as described below. The Special Committee also considers that there are no unreasonable aspects in such understanding.

Specifically, the disadvantages generally associated with delisting include the inability to raise funds through the capital markets and the loss of benefits associated with being a listed company, such as gaining social credibility from external parties and maintaining name recognition. However, the Tender Offeror and the Company believe that, for the reasons described below, it is unlikely that such disadvantages will arise as a result of the Transactions, and that even if they do arise, their impact will be limited.

a) Employees (Recruitment, Employee Motivation, etc.)

The Company believes that it has established a high level of social credibility and name recognition through its business operations to date, and that such social credibility and name recognition will not be lost as a result of the delisting, particularly because both the Tender Offeror and Nippon Steel, which will become shareholders following the privatization, also possess a high level of name recognition and credibility. Rather, the Company believes that, by working together with the Tender Offeror to maintain and enhance competitiveness both domestically and internationally through the Transactions, it will be possible to further strengthen its recruitment capabilities and enhance employee motivation.

b) Business Partners

As a preliminary matter, the Company has confirmed that Nippon Steel, which is one of the Company's important customers, intends to continue maintaining a certain level of capital relationship with the Company and to maintain its business relationship and exchanges with the Company.

In addition, with respect to business partners other than Nippon Steel, the Company believes that it has already established sufficient relationships of trust with them, and that they conduct business with the Company not because it is a listed company, but rather because they highly value the Company's services, credibility, track record, and other strengths. Accordingly, the Company believes that its existing business relationships will not be lost as a result of the delisting. Rather, the Company believes that, by working together with the Tender Offeror to maintain and enhance competitiveness both domestically and internationally through the Transactions, it will be possible to further expand its customer base and business scale.

In addition, from the perspective of external parties, the Company already has a certain capital relationship with the Tender Offeror and Nippon Steel, and the Transactions constitute part of an initiative to further strengthen the collaboration among the three parties. Accordingly, the Company believes that any surprise perceived by external parties is likely to be reduced to some extent.

c) Financing

Although the Company will no longer be able to raise funds through direct financing, such as public offerings, following the privatization, the Company believes that this will not constitute a material disadvantage because it has an appropriate level of cash and cash equivalents on hand and is expected to continue to be able to raise funds through indirect financing, such as borrowings based on its established relationships with its existing financial institutions.

In addition, because it is expected that, even after the Transactions, the Company will, in principle, procure the funds necessary for its business by itself, the Company expects to maintain favorable relationships with its existing financial institutions. Furthermore, depending on the Company's financing needs, it is also expected that the Tender Offeror's group financing system may be utilized to meet the Company's funding requirements.

(4) Management Policy Following the Transactions

Based on the explanations received by the Special Committee from the Tender Offeror and the Company, and the Review Materials, the Tender Offeror intends, following the completion of the Transactions, to manage the Company based on the strengths of the Company's personnel, expertise, and organization that support the business operations of the Company Group. In addition, the Tender Offeror intends, in principle, to maintain the current employment conditions of the employees of the Company Group after the Transactions, and does not contemplate any substantive reduction in the treatment or employment conditions of employees as prescribed under the current work rules, Article 36 Agreement, or other applicable arrangements. Furthermore, within the framework of the Tender Offeror's group governance, the Tender Offeror intends to enhance the medium- to long-term corporate value of both the Tender Offeror and the Company Group by utilizing the human resources of both parties while respecting the autonomous management of the Company Group. The Company also has no objection to the Tender Offeror's policy described above and believes that such policy is consistent with the Company's policy of promoting measures to enhance its corporate value following the Transactions.

In this regard, the Special Committee also considers that there are no unreasonable aspects in the Company's view.

(5) Conclusion

For the reasons set forth above, the Special Committee concludes that the Transactions will contribute to the enhancement of the Company's corporate value, and that the purpose of the Transactions is legitimate and reasonable.

3. Fairness and Reasonableness of the Transaction Terms of the Transactions (Consultation Matter (2))

(1) Receipt of a Share Valuation Report by the Company from an Independent Third-Party Valuation Institution

(a) Relationship between the Company's Third-Party Valuation Institution and the Company and the Tender Offeror

The Company, in order to ensure the fairness of the valuation, requested Mizuho

Securities, a third-party valuation institution independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, to estimate the Company's share value, and received the Company Share Valuation Report (Mizuho Securities) on July 30, 2026. Mizuho Securities is not a related party of the Company Group, the Tender Offeror Group, or Nippon Steel, and does not have any material interest in the Transactions. Mizuho Securities is a member of the Mizuho Financial Group, Inc., the same group to which Mizuho Bank, Ltd. ("Mizuho Bank") belongs. While Mizuho Bank holds positions as a shareholder of the Company, the Tender Offeror, and Nippon Steel, and has lending and other transactions with the Company, the Tender Offeror, and Nippon Steel as part of ordinary banking transactions, it does not have any material interest to be disclosed in connection with the Transactions. Furthermore, in accordance with applicable laws and regulations, including Article 36 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007, as amended), Mizuho Securities has established and implemented an appropriate conflict of interest management system, including information barrier measures, between Mizuho Securities and Mizuho Bank, and has estimated the share value of the Company from a standpoint independent of Mizuho Bank's status as a shareholder and lender. The Company determined that Mizuho Securities has established and implemented an appropriate conflict of interest management system for estimating the Company's share value, and selected Mizuho Securities as its third-party valuation institution. Since the Tender Offeror and the Company have implemented measures to ensure the fairness of Dual Tender Offer Prices and to avoid conflicts of interest, the Company believes that sufficient consideration has been given to the interests of the Company's general shareholders, and therefore has not obtained an opinion on the fairness of the prices for Dual Tender Offers (a fairness opinion) from Mizuho Securities. The remuneration payable to Mizuho Securities for the Transactions does not include a contingency fee to be paid conditional upon the successful completion of the Transactions. In addition, the Special Committee confirmed that there were no issues regarding the expertise or independence of Mizuho Securities and approved its appointment as the Company's third-party valuation institution.

(b) Overview of the Share Valuation Report (Mizuho Securities)

As a result of considering the valuation analyses to be applied in the Tender Offer, based on the analysis that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives on the assumption that the Company is a going concern, Mizuho Securities calculated the per-share value of the Company Shares by using: the market price reference method, as the Company Shares are listed on the Prime Market of the TSE and a market price exists; and the DCF Analysis, in order to reflect the status of the Company's future business activities in the valuation.

The ranges of the per-share value of the Company Shares calculated by Mizuho Securities based on the above analyses are as follows:

Market Price Reference Method: JPY 7,046 to JPY 7,740
DCF Analysis: JPY 8,277 to JPY 11,124

Under the market price reference method, with the valuation base date set as July 30, 2026, the range of the per-share value of the Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7, 740 of the Company Shares on the Prime Market of the TSE on the base date, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7, 299, and the simple average of the closing prices for the most recent six (6) months of JPY 7, 358.

Under the DCF Analysis, the corporate value and share value of the Company were calculated by discounting the free cash flows expected to be generated by the Company from the fiscal year ending March 31, 2027 onward, based on various factors such as the earnings forecasts and investment plans in the Business Plan covering the four fiscal years from the fiscal year ending March 31, 2027 through the fiscal year ending March 31, 2030, which was prepared by the Company for the period that was reasonably foreseeable at this time in light of the current earnings environment and the Company's business performance, and publicly available information, and the range of the per-share value of the Company Shares was calculated at JPY 8,277 to JPY 11,124. The weighted average cost of capital (WACC) was used as the discount rate, adopting a range of 8.4% to 9.4%. In calculating the discount rate, no size risk premium was taken into account. In calculating the terminal value, gains on the sale of vessels expected to arise after the Business Plan period were taken into account.

The financial forecasts based on the Business Plan that Mizuho Securities used as the assumption for the calculation under the DCF Analysis are as follows. These financial forecasts include fiscal years in which significant increases or decreases in profits and free cash flows are expected compared to the previous fiscal year. Specifically, in the fiscal year ending March 31, 2029, operating profit is expected to decrease by JPY 6,424 million and free cash flow is expected to decrease by JPY 2,939 million compared to the previous fiscal year, mainly because the current freight market, which has been affected by rising fuel costs and disruptions on certain shipping routes due to the deterioration of the situation in the Middle East, is expected to return to the level prior to the deterioration of the situation in the Middle East. Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions, they have not been reflected in the financial forecasts in the Business Plan or in Mizuho Securities' valuation based thereon because it is difficult at this time to specifically estimate their impact on earnings.

The Business Plan was prepared solely for the purpose of assessing the fairness and reasonableness of the terms and conditions of the Transactions. In addition, the Business Plan was prepared by a project team established, under the direction of the Special

Committee, for the purpose of responding to the Tender Offeror's due diligence of the Company, examining and preparing the Business Plan, examining the Company's management policy following the Transactions, and considering, negotiating, and making decisions regarding the Transactions within the Company (the "Project Team"). The Project Team includes directors Mr. Takamasa Takami, Mr. Yoshinori Sato, and Mr. Kyo Sonoda (while Mr. Toru Fujita, Mr. Shinichi Kitazato and Mr. Kiyoshi Kanemitsu left the Project Team upon their retirement as directors at the conclusion of the Company's annual shareholders' meeting held on June 25, 2026). In the process of its preparation, there is no fact that the Tender Offeror Group and Nippon Steel (including persons originally from or seconded from the Tender Offeror and Nippon Steel) were involved. In preparing the Business Plan, the fairness of the preparation process, including the independence of the Company's officers and employees involved in its preparation, was confirmed by TKI, the Company's legal adviser, and the Special Committee. In addition, Mizuho Securities, Plutus and the Special Committee conducted multiple rounds of questions and answers regarding the contents of the draft Business Plan and its material assumptions. Based on these circumstances, the Special Committee confirmed the reasonableness of, and approved, the contents of the Business Plan, its material assumptions and the background to its preparation.

Although the Business Plan differs from the Current Medium-term Management Plan (which targets operating profit of JPY 20.0 billion for the fiscal year ending March 31, 2028), such differences reflect changes in market conditions since the Current Medium-term Management Plan was formulated. Specifically, when the Current Medium-term Management Plan was formulated, it was assumed that environmental initiatives would advance across the international shipping industry following the introduction of environmental regulations. However, in October 2025, the International Maritime Organization resolved to postpone by one year the adoption of proposed amendments to an international convention aimed at reducing greenhouse gas emissions from international shipping. In light of this, the Company recognizes that environmental initiatives have stalled globally. Taking into account that the investments in environmentally friendly vessels contemplated under the Current Medium-term Management Plan have not progressed as initially anticipated, the Company prepared the Business Plan, which it considers to be more objective, reasonable and reflective of current circumstances. The Special Committee also confirmed the reasonableness of the differences between the figures in the Current Medium-term Management Plan and those in the Business Plan.

(Unit: JPY million)

	Fiscal year ending March 31, 2027 (9 months)	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net Sales	155,617	225,018	223,603	233,726
Operating Profit	18,376	25,568	19,144	20,036
EBITDA	36,712	44,806	41,153	45,670
Free Cash Flow	21,118	7,494	4,554	3,420

(c) Fairness and Reasonableness of the Tender Offer Price

The purchase price of the Tender Offer of JPY 10,600 per Company Share (the "Tender Offer Price") exceeds the upper end of the range of the valuation results under the market price reference method in the Company Share Valuation Report (Mizuho Securities), and falls within the range of the valuation results under the DCF Analysis in the Company Share Valuation Report (Mizuho Securities), while also exceeding the median of such range. Accordingly, the Tender Offer Price may be evaluated as falling within a reasonable range in light of the results of the share valuation set forth in the Company Share Valuation Report (Mizuho Securities).

(2) Receipt of a Share Valuation Report and the Fairness Opinion by the Special Committee from an Independent Third-Party Valuation Institution

(a) Relationship between the Special Committee's Independent Third-Party Valuation Institution and the Company and the Tender Offeror

The Special Committee appointed Plutus as an independent third-party valuation institution independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, and requested Plutus to conduct a valuation of the Company Shares and express an opinion on the fairness of the Tender Offer Price (a fairness opinion). On July 30, 2026, the Special Committee received the Share Valuation Report prepared by Plutus (the "Special Committee Share Valuation Report (Plutus)") and the fairness opinion (the "Fairness Opinion"). Plutus is not a related party of the Company Group, the Tender Offeror Group, or Nippon Steel, and does not have any material interest in the Transactions, including the Tender Offer. The remuneration payable to Plutus for the Transactions does not include a contingency fee to be paid conditional upon the successful completion of the Transactions.

(b) Overview of the Special Committee Share Valuation Report (Plutus)

As a result of considering the valuation analyses to be applied in the Tender Offer, based on the analysis that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives on the assumption that the Company is a going concern, Plutus calculated the per-share value of the Company Shares by using: the market price analysis, as the Company Shares are listed on the Prime Market of the TSE and a market share price exists; and the DCF Analysis, in order to reflect the status of the Company's future business activities in the valuation.

The ranges of the per-share value of the Company Shares calculated by Plutus based on the above analyses are as follows:

Market Price Analysis: JPY 7,046 to JPY 7,740
DCF Analysis: JPY 8,972 to JPY 17,622

Under the market price analysis, with the valuation base date set as July 30, 2026, the range of the per-share value of the Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7,740 of the Company Shares on the Prime Market of the TSE on the base date, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7,299, and the simple average of the closing prices for the most recent six (6) months of JPY 7,358.

Under the DCF Analysis, the corporate value and share value of the Company were calculated by discounting the free cash flows expected to be generated by the Company in and after the fiscal year ending March 31, 2027, to the present value at a certain discount rate, based on various factors such as the earnings forecasts and investment plans in the Business Plan from the fiscal year ending March 31, 2027, through the fiscal year ending March 31, 2030, prepared by the Company, and publicly available information, and the range of the per-share value of the Company Shares was calculated at JPY 8,972 to JPY 17,622. The WACC was used as the discount rate, adopting a range of 5.7% to 7.0%. In calculating the terminal value, the terminal value was calculated in the range of JPY 182,387 million to JPY 234,020 million based on the perpetual growth rate method and the exit multiple method. Under the perpetual growth rate method, the perpetual growth rate was assumed to range from 0% to 1%, with the lower end based on the theoretically assumed long-term economic environment and the upper end based on inflation, demographic trends and other macroeconomic factors. Under the exit multiple method, an EV/EBITDA multiple ranging from 8.7x to 12.6x was adopted, taking into account, among other things, the trading multiples of comparable companies.

In addition, the Business Plan was prepared by the Project Team. In the process of its preparation, there is no fact that the Tender Offeror Group and Nippon Steel (including persons originally from or seconded from the Tender Offeror and Nippon Steel) were involved. In connection with the Company's preparation of the Business Plan for the Transactions, the Special Committee conducted a Q&A session regarding the contents of the draft business plan and material assumptions, and confirmed and approved the reasonableness of the final contents of the Business Plan, material assumptions, and the background of its preparation.

The financial forecasts based on the Business Plan that Plutus used as the assumption for the calculation under the DCF Analysis are as follows. These financial forecasts include fiscal years in which significant increases or decreases in profits and free cash flows are expected compared to the previous fiscal year. Specifically, for the fiscal year ending March 31, 2029, operating profit is expected to decrease by JPY 6,424 million and free cash flow is expected to decrease by JPY 3,034 million compared to the previous fiscal year, primarily because the current freight market, which has been affected by higher fuel costs and disruptions to certain shipping routes resulting from the deterioration of the situation in the Middle East, is expected to return to the level prevailing before such deterioration.

Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions, they have not been taken into account in the following financial forecasts because it is difficult to estimate them specifically at this stage.

The financial forecasts assumed for the DCF Analysis are set forth below.

(Unit: JPY million)

	Fiscal year ending March 31, 2027 (9 months)	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net Sales	155,617	225,018	223,603	233,726
Operating Profit	18,376	25,568	19,144	20,036
EBITDA	36,666	44,607	40,955	45,472
Free Cash Flow	17,546	7,428	4,394	3,735

(c) Overview of the Fairness Opinion

On July 30, 2026, the Special Committee obtained the Fairness Opinion from Plutus stating that the Tender Offer Price of JPY 10,600 per Company Share is fair, from a financial point of view, to the Company's general shareholders. The Fairness Opinion expresses Plutus's opinion that, in light of, among other things, the results of its valuation of the Company Shares based on the Business Plan prepared by the Company, the Tender Offer Price of JPY 10,600 per Company Share is fair, from a financial point of view, to the

Company's general shareholders.

The Fairness Opinion was issued following Plutus's receipt from the Company of information regarding the current status of the Company's business and the Business Plan, together with explanations thereof, and in light of the results of Plutus's valuation of the Company Shares conducted on that basis. In addition, Plutus conducted discussions with the Company regarding the overview, background, and purpose of the Tender Offer, reviewed the Company's business environment and the economic, market, and financial conditions to the extent Plutus considered necessary, and completed review procedures by a review committee independent of Plutus's engagement team.

(d) Fairness and Reasonableness of the Tender Offer Price

The Tender Offer Price of JPY 10,600 per Company Share exceeds the upper end of the range of the valuation results under the market price analysis in the Special Committee Share Valuation Report (Plutus), and falls within the range of the valuation results under the DCF Analysis in the Special Committee Share Valuation Report (Plutus). Accordingly, the Tender Offer Price may be evaluated as falling within a reasonable range in light of the results of the share valuation set forth in the Special Committee Share Valuation Report (Plutus).

In addition, the Fairness Opinion states that the Tender Offer Price is fair, from a financial point of view, to the Company's general shareholders. This also supports the fairness and reasonableness of the Tender Offer Price.

(3) Premium

According to the Review Materials, the Tender Offer Price represents the following premiums over the closing price of the Company Shares on the Prime Market of the TSE on July 30, 2026, the business day immediately preceding the date of announcement of the commencement of the Tender Offer, and the historical simple average closing prices. The level of such premiums, when compared with the average and median premium levels (Note) of 48.43% to 58.45% in comparable transactions (specifically, 26 completed tender offer transactions publicly announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and May 18, 2026, involving the acquisition of listed equity-method affiliates for the purpose of taking them private), is below the comparable premium levels with respect to the closing price on the reference date and the simple average closing prices for the three-month and six-month periods preceding the reference date, but falls within the comparable range with respect to the one-month simple average closing price. Furthermore, when compared with the first quartile (Note) range of 36.05% to 44.27%, the premiums over the closing price on the reference date and the six-month simple average closing price fall within the comparable range, while the premiums over the one-month and three-month simple average closing prices exceed the comparable premium levels.

Accordingly, the level of the premiums represented by the Tender Offer Price is considered to be comparable to those observed in similar transactions, and, given that such a level of premiums has been secured, the Tender Offer Price may be evaluated as reflecting, to a considerable extent, the share value expected to be realized by the Company through the implementation of the Transactions.

(Valuation Base Date: July 30, 2026)

	Closing Price on the Base Date	**Historical Simple Average Closing Price**		
		1 Month	**3 Months**	**6 Months**
Market Price	JPY 7,740	JPY 7,046	JPY 7,299	JPY 7,358
Premium	36.95%	50.44%	45.23%	44.06%

Note: The first quartile, median and average premium levels for the 26 transactions are as follows:

	Business Day Immediately Preceding the Announcement Date	**Most Recent One-Month Period**	**Most Recent Three-Month Period**	**Most Recent Six-Month Period**
		Ending on the Business Day Immediately Preceding the Announcement Date		
Median	48.43%	51.50%	53.33%	55.58%
Average	52.44%	54.93%	57.86%	58.45%
First Quartile	36.05%	42.46%	44.27%	38.63%

(4) Negotiations with the Tender Offeror

The Company and the Special Committee, with advice from Mizuho Securities and TKI, engaged in discussions and negotiations with the Tender Offeror regarding the terms and conditions of the Transactions, including the Tender Offer Price, through Mizuho Securities, the Company's financial advisor.

Specifically, on June 29, 2026, the Company and the Special Committee received from the Tender Offeror its initial proposal regarding the Transactions, which included proposals that (i) the Tender Offer Price be set at JPY 8,000 per share (representing a premium of 20.12% over the closing price of JPY 6,660 on June 26, 2026, the business day immediately preceding the proposal date), (ii) the purchase price per Company Share in the Tender Offer for Share Repurchase (the "Tender Offer Price for Share Repurchase") was undetermined as of the time of such proposal, and (iii) the minimum number of shares to be purchased be set at the number of shares obtained by multiplying by one trading unit of the Company Shares (100 shares) the number of voting rights calculated by subtracting the number of voting rights represented by the Company Shares held by the Tender Offeror and the number of voting rights represented by the Company Shares held by Nippon Steel from the number of voting rights obtained by multiplying by two-thirds the number of voting rights represented by the total number of issued Company Shares less the number of treasury shares held by the Company.

In response to such proposal, the Company and the Special Committee comprehensively considered the Tender Offer Price in light of: (a) the results of the DCF analyses of the value of the Company Shares conducted by Mizuho Securities and Plutus, including consideration of the reflection in the value of the Company Shares of gains on sales of vessels, unrealized gains and asset values of existing vessels, and the value inherent in the vessel portfolio, as well as whether Plutus would be able to issue a fairness opinion; (b) trends in the market price of the Company Shares; (c) a comparison with the value expected to be realized if the Company were dissolved and liquidated at that time (the "Liquidation Value"), including consideration of the feasibility of the dissolution and liquidation of the Company; (d) the premium levels in transactions similar to the Transactions, specifically, completed tender offer transactions announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, and May 18, 2026, that were intended to take private a listed company that was an equity-method affiliate; and (e) the synergies expected to be realized through the implementation of the Transactions.

As a result, the Company and the Special Committee considered that, under the terms of such proposal, the Transactions could not be said to be fair to the general shareholders of the Company and, on July 7, 2026, requested that the Tender Offeror reconsider the terms of its proposal, including the Tender Offer Price. With respect to the minimum number of shares to be purchased, the Company and the Special Committee also stated that the necessity of setting a minimum number satisfying the so-called majority of minority ("MoM") should be comprehensively considered and determined in light of the matters set forth in (a) through (e) above, and that, at that time, they could not conclude that MoM was unnecessary. For this purpose, "MoM" means a number of shares exceeding a majority of the 11,379,482 shares obtained by subtracting, from the Base Number of Shares (23,565,487 shares), the 4,324,725 Company Shares held by the Tender Offeror and the 7,861,280 Company Shares held by Nippon Steel as of the date hereof, which majority is 5,689,742 shares.

Thereafter, on July 10, 2026, the Company and the Special Committee received from the Tender Offeror its second proposal that the Tender Offer Price be set at JPY 8,600 per share (representing a premium of 26.10% over the closing price of JPY 6,820 on July 9, 2026, the business day immediately preceding the proposal date), that the Tender Offer Price for Share Repurchase be set at JPY 6,289 per share, and that the minimum number of shares to be purchased remain unchanged from the initial proposal. After comprehensively considering such proposal in light of the matters set forth in (a) through (e) above, the Company and the Special Committee considered that, under such proposal, the Transactions could not be said to be fair to the general shareholders of the Company and, on July 16, 2026, requested that the Tender Offeror reconsider the terms of its proposal, including the Tender Offer Price. They also stated that, at that time, they could not conclude that MoM was unnecessary with respect to the minimum number of shares to be purchased.

Thereafter, on July 17, 2026, the Company and the Special Committee received from the Tender Offeror its third proposal that the Tender Offer Price be set at JPY 9,300 per share (representing a premium of 32.10% over the closing price of JPY 7,040 on July 16, 2026, the business day immediately preceding the proposal date), that the Tender Offer Price for Share Repurchase be set at JPY 6,774 per share, and that the minimum number of shares to be purchased remain unchanged from the initial proposal. After comprehensively considering such proposal in light of the matters set forth in (a) through (e) above, the Company and the Special Committee considered that, under such proposal, the Transactions could not be said to be fair to the general shareholders of the Company and, on July 21, 2026, requested that the Tender Offeror reconsider the terms of its proposal, including the Tender Offer Price. They also stated that, at that time, they could not conclude that MoM was unnecessary with respect to the minimum number of shares to be purchased.

Thereafter, on the same day, the Company and the Special Committee received from the Tender Offeror its fourth proposal, presented as its final proposal on the grounds that any further increase in the price would be extremely difficult, that the Tender Offer Price be set at JPY 9,900 per share (representing a premium of 41.23% over the closing price of JPY 7,010 on July 17, 2026, the business day immediately preceding the proposal date), that the Tender Offer Price for Share Repurchase be set at JPY 7,190 per share, and that the minimum number of shares to be purchased remain unchanged from the initial proposal. After comprehensively considering such proposal in light of the matters set forth in (a) through (e) above, the Company and the Special Committee considered that such proposal could be evaluated positively to a certain extent. However, because (i) they considered that MoM required comprehensive consideration and could not conclude at that time that MoM was unnecessary, and (ii) certain matters remained to be confirmed in order to consider and determine whether the Transactions could be said to be fair to the general shareholders of the Company, they requested, on July 23, 2026, that the Tender Offeror reconsider the terms of its proposal, including the Tender Offer Price.

Thereafter, on July 25, 2026, the Company and the Special Committee received from the Tender Offeror its fifth proposal, presented as its final proposal on the grounds that any further increase in the price would be extremely difficult, that, on the premise that MoM would not be established with respect to the minimum number of shares to be purchased, the Tender Offer Price be set at JPY 10,600 per share (representing a premium of 44.02% over the closing price of JPY 7,360 on July 24, 2026, the business day immediately preceding the proposal date) and that the Tender Offer Price for Share Repurchase be set at JPY 7,676 per share.

After comprehensively considering such proposal in light of the matters set forth in (a) through (e) above, on July 28, 2026, the Company and the Special Committee informed the Tender Offeror that the Special Committee intended to submit, on July 30, 2026, a report to the Company’s board of directors stating that the implementation of the Transactions was considered to be fair to the general shareholders of the Company, and that the Company's board of directors intended to adopt a resolution regarding its opinion on the Tender Offer at its meeting to be held on July 31, 2026, while giving maximum consideration to the contents of the Special Committee Report.

(5) Comparison between the Tender Offer Price and the Liquidation Value Per Company Share

According to the explanations provided to the Special Committee by the Company and the Review Materials, the Company, taking into account the existence of unrealized gains on its vessel assets, considered the Liquidation Value and concluded as follows: (a) following the Transactions, the Company is expected to continue its business operations as part of the Tender Offeror Group, and neither the Company nor the Tender Offeror contemplates the dissolution or liquidation of the Company after the Transactions. In addition, the Company has confirmed with the Tender Offeror on multiple occasions that the Tender Offeror has no plan to dissolve or liquidate the Company after the Transactions. Furthermore, under the shareholders' agreement scheduled to be entered into as of the date hereof between the Tender Offeror and Nippon Steel, the dissolution or liquidation of the Company is expected to be subject to the prior consent of Nippon Steel. Accordingly, the Tender Offeror alone will not be able to resolve to dissolve or liquidate the Company, and therefore the possibility that the Liquidation Value per Company Share would be realized is considered to be low; and (b) solely for the purpose of assessing the reasonableness of the terms and conditions of the Transactions, the Company estimated the Liquidation Value based on a number of assumptions, and the estimated Liquidation Value per Company Share was below the Tender Offer Price.

The Special Committee considers that these circumstances constitute one of the factors supporting the fairness and reasonableness of the Tender Offer Price.

(6) Nippon Steel's Intention to Tender in the Tender Offer for Share Repurchase

As the Company's largest shareholder, Nippon Steel is expected to enter into the Shareholders' Agreement and the Basic Agreement with the Tender Offeror and to continue to hold the Company Shares after the Transactions. Accordingly, its interests are not necessarily aligned with those of the general shareholders. Nevertheless, as Nippon Steel is considered to be independent of the Tender Offeror, the negotiations between Nippon Steel and the Tender Offeror are expected to be conducted on an arm's-length basis. In addition, the Tender Offer Price for Share Repurchase has been determined so that the after-tax net proceeds per share to be received by Nippon Steel would be equivalent whether Nippon Steel tenders in the Tender Offer at the Tender Offer Price or tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase. Accordingly, it is considered that Nippon Steel will not receive a greater economic benefit than the general shareholders. Under these circumstances, Nippon Steel has indicated its intention to tender a portion of the Company

Shares it holds (4,720,438 shares, representing 20.03% of the voting rights) in the Tender Offer for Share Repurchase. The Special Committee considers that this constitutes one of the factors supporting the fairness and reasonableness of the Tender Offer Price.

(7) Method of Implementation of the Transactions

Based on the explanations received by the Special Committee from the Company and the Review Materials, the Special Committee understands that, because the Tender Offeror proposed the Transaction Structure, the Company examined the Transaction Structure and confirmed the following:

(i). given that the Tender Offeror's aggregate acquisition amount is subject to an upper limit, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price, the Company would be able to provide its general shareholders with an opportunity to sell their Company Shares through the Tender Offer at a higher price than would have been the case if the Tender Offer for Share Repurchase had not been conducted following the Tender Offer, thereby contributing to the interests of the Company's general shareholders;

(ii). with respect to the Tender Offer Price for Share Repurchase, in light of the expected application of the non-inclusion in taxable income provisions applicable to deemed dividends under the Corporation Tax Act to the Company's corporate shareholders in the Tender Offer for Share Repurchase, the Tender Offer Price for Share Repurchase has been set at an amount such that the after-tax amount receivable per share by Nippon Steel, which is expected to tender its shares in the Tender Offer for Share Repurchase, would be equivalent to the after-tax amount receivable per share if Nippon Steel were to tender its shares in the Tender Offer at the Tender Offer Price. Accordingly, the after-tax amount receivable per share by Nippon Steel if it tenders its shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would not exceed the after-tax amount receivable per share if it were to tender its shares in the Tender Offer at the Tender Offer Price, and therefore Nippon Steel is not expected to obtain any benefit over the Company's general shareholders.

The Special Committee further understands that the Company intends to fund the settlement and other payments required in connection with the Tender Offer for Share Repurchase primarily from its own funds and, to the extent necessary, through intragroup financing and borrowings from external financial institutions, that no particular concerns have been identified regarding the feasibility of the Tender Offer for Share Repurchase from the perspective of securing such funds, and that the Tender Offer for Share Repurchase is not expected to cause any deterioration in the Company's financial condition that would materially and adversely affect the Company's corporate value.

In addition, although the Transaction Structure will delay the completion of the Company's acquisition as a wholly owned subsidiary compared with a transaction structure involving only the Tender Offer, such delay is not considered to be a matter of particular concern in light of the benefit of enabling the Company’s general shareholders to receive greater value under the Transaction Structure.

Accordingly, the Special Committee considers that the fairness and reasonableness of the Transaction Structure are ensured.

(8) Other Transaction Terms of the Transactions

(a) Squeeze-out Procedure

As described in 4(6) below, it is expected to be disclosed that (i) if the Tender Offer for Share Repurchase is completed, the Squeeze-out Procedure will be implemented by way of the Share Consolidation, and (ii) when the Share Consolidation is carried out, the amount of cash to be delivered to the Company’s shareholders will be calculated so that it is equal to the Tender Offer Price multiplied by the number of Company Shares held by each shareholder (excluding the Tender Offeror, Nippon Steel and the Company).

This method is commonly adopted in transactions intended to take a target company private and is considered to be an appropriate method for the Transactions, which are intended to take the Company private.

(b) Other Transaction Terms

In addition, the transaction terms of the Transactions, other than the Tender Offer Price, are not considered unreasonable, and therefore the transaction terms are not considered to lack fairness or reasonableness.

(9) Conclusion

Accordingly, the Special Committee considers that the fairness and reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, are ensured.

4. Procedural Fairness of the Transactions (Consultation Matter (3))

The Fair M&A Guidelines are intended to present best practices for fair M&A transactions, with a particular focus on management buyouts (“MBOs”) and acquisitions of controlled subsidiaries by controlling shareholders, where structural conflicts of interest and information asymmetry exist (Section 1.2 of the Fair M&A Guidelines). At the same time, the Fair M&A Guidelines state that, even in M&A transactions that do not fall within either of these transaction categories, where structural conflicts of interest or information asymmetry exist to a certain extent, referring to the Fair M&A Guidelines in determining the appropriate practical measures in light of the degree of such issues contributes to ensuring the fairness of the relevant M&A transaction (see Section 1.4 of the Fair M&A Guidelines).

Although the Transactions do not constitute an "MBO" or an "acquisition of a controlled subsidiary by a controlling shareholder," each as defined in the Fair M&A Guidelines, the Transactions constitute an acquisition by the Company's major shareholder of an equity-method affiliate, and structural conflicts of interest and information asymmetry exist between the Tender Offeror and the Company or the Company's general shareholders. Accordingly, it is considered that referring to the practical measures set forth in the Fair M&A Guidelines would contribute to ensuring the procedural fairness of the Transactions.

Accordingly, the following discussion focuses on whether the practical measures (fairness-enhancing measures) presented in the Fair M&A Guidelines that are relevant to the procedures for the Transactions have been implemented in the Transactions.

(1) Establishment of an Independent Special Committee

(a) Timing of Establishment and Composition

On January 30, 2026, the Company received from the Tender Offeror the Letter of Intent relating to the Transactions dated January 30, 2026 (the "Letter of Intent"). In response, taking into account that (i) the Tender Offeror constitutes an "other affiliated company" of the Company, and therefore the "requirements for MBOs and similar transactions" prescribed in Article 441 of the Securities Listing Regulations of the TSE apply to the Tender Offer, and (ii) there was a possibility that structural conflicts of interest might exist, the Tender Offeror and the Company determined that, in order to ensure the fairness of the Transactions, including the Tender Offer, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the implementation of the Tender Offer, and avoiding conflicts of interest, the Company would establish, by resolution of its board of directors adopted on February 17, 2026, a special committee (the "Special Committee") consisting of four members—Mr. Setsu Onishi (outside director of the Company), Ms. Masako Yoshida (outside director of the Company), Mr. Keisuke Takegahara (outside director of the Company), and Ms. Riyo Kano (outside director of the Company and attorney-at-law)—each of whom is independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions.

Accordingly, in the Transactions, the Special Committee, consisting of members whose independence had been confirmed and who had been appointed with due consideration given to their respective backgrounds, became involved in the Transactions immediately after the Company received the Letter of Intent. As a result, the Special Committee was involved from the initial stage of the process for formulating the transaction terms of the Transactions.

(b) Advisors

The Company’s board of directors granted the Special Committee the authority to: (i) participate in negotiations with the Tender Offeror regarding the terms and conditions of the Transactions; (ii) appoint and seek advice from independent external experts selected by the Special Committee at the Company’s expense (collectively, “Advisors”), including legal counsel, financial advisors and third-party valuation institutions; and (iii) request that the Company provide information and materials necessary for the Special Committee’s deliberations at the Company’s expense.

Pursuant to such authority, the Special Committee confirmed that Mizuho Securities, which had been appointed as the Company’s third-party valuation institution and financial advisor, and TKI, which had been appointed as the Company’s legal advisor, each possessed the requisite independence and expertise. Accordingly, the Special Committee approved their respective appointments as the Company’s third-party valuation institution, financial advisor and legal advisor, and confirmed that it would also be able to obtain professional advice from them as necessary.

In addition, taking into account Plutus’s expertise, experience and track record, as well as its independence from the Company Group, the Tender Offeror Group, Nippon Steel and the success or failure of the Transactions, the Special Committee appointed Plutus as its own third-party valuation institution.

Throughout its review of the Transactions, the Special Committee carefully considered and discussed, while obtaining professional advice and opinions from the foregoing external advisors as appropriate, whether the Transactions should be undertaken, the reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, and the procedural fairness of the Transactions, from the perspectives of enhancing the Company’s corporate value and protecting the interests of its general shareholders.

Accordingly, the Special Committee not only appointed its own external expert and obtained advice therefrom, but also determined that the Advisors appointed by the Company’s board of directors possessed sufficient independence and expertise and could therefore be relied upon by the Special Committee in obtaining professional advice, and accordingly utilized such Advisors.

(c) Involvement in Negotiations with the Tender Offeror

The Company’s board of directors granted the Special Committee the authority to participate in negotiations with the Tender Offeror regarding the terms and conditions of the Transactions.

Thereafter, while repeatedly raising questions to the Tender Offeror regarding measures to enhance the Company’s corporate value and the terms and conditions of the Transactions, the Special Committee, as described in 3(4) above, together with the Company, engaged in discussions and negotiations with the Tender Offeror regarding the transaction terms of the Transactions, including the Tender Offer Prices, etc., and was substantively involved in the negotiation process with the Tender Offeror.

Accordingly, the Special Committee was substantively involved in the negotiation process concerning the transaction terms with the Tender Offeror.

(d) Access to Information

In considering the Transactions, the Special Committee, as described in III above, conducted direct interviews with both the Tender Offeror and the Company and also received written responses from them. In addition, it received timely reports from the Company and Mizuho Securities regarding the progress and substance of the discussions and negotiations with the Tender Offeror concerning the Transactions, thereby establishing a framework under which it was able to consider the Transactions based on material information, including non-public information, obtained through such process.

Accordingly, the Special Committee established a framework that enabled it to obtain material information, including non-public information, and to consider and determine whether the Transactions should be undertaken and whether the transaction terms were reasonable based on such information.

(e) Compensation

The compensation of each member of the Special Committee is a fixed fee and does not include any success fee contingent upon the completion of the Transactions. Accordingly, the independence of each member of the Special Committee from the success or failure of the Transactions can be considered to have been ensured.

(f) Treatment of the Special Committee's Opinion by the Board of Directors

As described in 3(4) above, when resolving to establish the Special Committee, the Company's board of directors also resolved that, in making any decision regarding the Transactions, it would give the utmost respect to the opinion of the Special Committee and would not approve the implementation of the Transactions if the Special Committee determined that the implementation of the Transactions or the terms and conditions thereof were inappropriate.

Accordingly, a framework was established under which the Company's board of directors could make its decisions regarding the Transactions while giving due respect to the opinion of the Special Committee.

(g) Internal Review Structure

Among the Company's directors, Mr. Kazuma Yamanaka, formerly of Nippon Steel, and Ms. Noriko Miyamoto, formerly of the Tender Offeror, and among the Company's corporate auditors, Mr. Soichi Miyazawa, formerly of Nippon Steel, Mr. Shohei Yamamoto, formerly of the Tender Offeror, and Mr. Tomomi Mohri, who concurrently serves as General Manager of the Raw Materials Business Planning Department of Nippon Steel, did not participate in any deliberations of the Company's board of directors concerning the Transactions, nor were they involved in the Company's review of the Transactions or in any discussions or negotiations with the Tender Offeror concerning the Transactions on behalf of the Company.

In addition, these individuals did not participate in the board resolution establishing the Special Committee and are not expected to participate in the board resolution expressing the Company's opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer.

Accordingly, the Company established a framework under which the review of, and negotiations concerning, the Transactions could be conducted from a position independent of the Tender Offeror.

(h) Summary

As described in (a) through (g) above, in considering the Transactions, the Company established an independent Special Committee after taking into account the matters identified in the Fair M&A Guidelines as enhancing the effectiveness of a special committee, and the Special Committee functioned effectively throughout the process.

(2) Acquisition of Independent Professional Advice from Advisors

(a) The Company's Financial Advisor and Third-Party Valuation Institution

As described in III above, in connection with the Transactions, the Company appointed Mizuho Securities as its financial advisor and third-party valuation institution in mid-February 2026. The Company received financial advice and assistance from Mizuho Securities, including advice regarding the valuation of the Company's shares and the negotiation strategy with the Tender Offeror, and also requested Mizuho Securities to conduct a valuation of the Company's shares. As a result, the Company obtained the Share Valuation Report (Mizuho Securities), dated July 30, 2026.

Mizuho Securities is a member of Mizuho Financial Group, Inc., together with Mizuho Bank. Mizuho Bank holds shares in each of the Company, the Tender Offeror and Nippon Steel, and also maintains lending and other ordinary banking relationships with each of them in the ordinary course of business. However, Mizuho Securities does not have any material interest in the Transactions that should be disclosed. In addition, Mizuho Securities has represented that, in accordance with Article 36 of the Financial Instruments and Exchange Act and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments Business, etc., it has established and implemented appropriate conflict-of-interest management measures, including information barrier procedures, between Mizuho Securities and Mizuho Bank, and that it conducted the valuation of the Company's shares independently from Mizuho Bank's position as shareholder and lender. The Company determined that appropriate conflict-of-interest management measures had been established and implemented at Mizuho Securities in connection with the valuation of the Company's shares, and accordingly selected Mizuho Securities as its third-party valuation institution.

The Special Committee also confirmed that there were no issues regarding the independence of Mizuho Securities, approved its appointment as the Company's financial advisor and third-party valuation institution, and received necessary and sufficient financial advice from Mizuho Securities in order to ensure the fairness and reasonableness of the procedures for the Transactions and the terms and conditions of the Transactions, including the Tender Offer Prices.

Accordingly, the appointment and approval of Mizuho Securities, and the advice provided by it, are considered to have ensured the procedural fairness of the Transactions and to have functioned effectively as a fairness-enhancing measure.

(b) Third-Party Valuation Institution Appointed by the Special Committee

As described in III above, in connection with the Transactions, the Special Committee, in considering the Consultation Matters, appointed Plutus as its own third-party valuation institution in order to ensure the reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices proposed by the Tender Offeror. The Special Committee requested Plutus to conduct a valuation of the Company's shares and to render an opinion (Fairness Opinion) regarding the fairness of the Tender Offer Prices. As a result, the Special Committee obtained the Share Valuation Report (Plutus) and the Fairness Opinion, each dated July 30, 2026.

Plutus is not a related party of the Company Group, the Tender Offeror Group or Nippon Steel, does not have any material interest in the Transactions, and the compensation payable to Plutus in connection with the Transactions does not include any success fee contingent upon the completion of the Transactions or any similar event.

Accordingly, the appointment of Plutus and the advice provided by it are considered to have ensured the procedural fairness of the Transactions and to have functioned effectively as a fairness-enhancing measure.

(c) The Company's Legal Advisor

As described in Section III above, in connection with the Transactions, the Company appointed TKI as its legal advisor in mid-February 2026, and it is recognized that the Company received the necessary legal advice from TKI regarding the method and process of the board of directors' decision-making, including the procedures relating to the Transactions, as well as other legal considerations. TKI is not a related party of the Company Group, the Tender Offeror Group or Nippon Steel, does not have any material interest in the Transactions, and the fees payable to TKI in connection with the Transactions are calculated based on the time spent multiplied by the applicable hourly rates, regardless of whether the Transactions are consummated, and do not include any success fee contingent upon the completion of the Transactions.

The Special Committee also confirmed that there were no issues regarding the independence of TKI, approved its appointment as the Company's legal advisor, and received necessary and sufficient legal advice from TKI regarding the measures to be implemented to ensure the procedural fairness of the Transactions, the procedures relating to the Transactions, the manner in which the Special Committee should deliberate on the Transactions, and the negotiations with the Tender Offeror regarding the Tender Offer Prices and other transaction terms. In addition, in light of TKI's sufficient expertise, experience and independence, and the absence of any particular circumstances requiring the Special Committee to appoint separate legal counsel, the fact that the Special Committee did not appoint its own independent legal advisor does not impair the procedural fairness of the Transactions.

Accordingly, the appointment and approval of TKI, and the advice provided by it, are considered to have ensured the procedural fairness of the Transactions and to have functioned effectively as a fairness-enhancing measure.

(3) Opportunity for Acquisition Proposals from Other Potential Acquirers (Market Check)

According to the Tender Offeror, the tender offer period for the Tender Offer is expected to be set at the statutory minimum of 20 business days (provided, however, that the tender offer period may exceed 20 business days due to differences between holidays in Japan and the United States).

However, the Tender Offer is a so-called pre-announcement tender offer, and it is contemplated that a relatively lengthy period will be secured between the public announcement of the series of transaction terms, including the Tender Offer Prices, and the commencement of the Tender Offer. Taking such period into account, it is considered that other potential acquirers will have a reasonable opportunity to make competing acquisition proposals.

In this regard, the Company intends to enter into a tender offer agreement with the Tender Offeror (the "Tender Offer Agreement"). Under the Tender Offer Agreement, it is contemplated that: (a) on the date of execution of the Tender Offer Agreement, the Company's board of directors will resolve to express its opinion in support of the Tender Offer and will agree to maintain such opinion and not adopt any resolution to withdraw or modify such opinion during the period from the date of execution of the Tender Offer Agreement until the last day of the tender offer period for the Tender Offer (the "Expiration Date of the Tender Offer Period"); and (b) during the period from the date of execution of the Tender Offer Agreement until the completion of the Squeeze-out, the Company will agree not to, directly or indirectly, (i) enter into any agreement relating to any transaction with any person other than the Tender Offeror that substantially competes with, conflicts with, or is inconsistent with, or could reasonably be expected to compete with, conflict with, or be inconsistent with, the Transactions (including any transaction, whether by way of a tender offer, corporate reorganization or otherwise, involving the acquisition of the Company's shares or other securities or the disposition of all or a material part of the Company's shares or business) (a "Competing Transaction"), including any agreement to express support for or recommend the tendering of shares into such transaction, (ii) provide any information concerning the Company or any other information to any person other than the Tender Offeror in connection with a Competing Transaction, or (iii) make, solicit, encourage or enter into any proposal, offer or request for discussions with respect to, or participate in any discussions or negotiations concerning, any Competing Transaction.

However, with respect to the agreement described in (a) above, if, prior to the Expiration Date of the Tender Offer Period, (i) any person other than the Tender Offeror commences a tender offer that substantially competes with, conflicts with, or is inconsistent with, or could reasonably be expected to compete with, conflict with, or be inconsistent with, the Transactions, which is intended to take the Company private, does not specify a maximum number of shares to be purchased, specifies a minimum number of shares to be purchased that would ensure the privatization of the Company if successful, and offers consideration to the Company's shareholders in an amount greater than the Tender Offer Price (a "Qualified Competing Tender Offer"), or (ii) the Company receives a bona fide, specific and reasonably feasible proposal regarding the terms and conditions of a Qualified Competing Tender Offer (a "Competing Proposal"), the Company may request the Tender Offeror to discuss a revision to the Tender Offer Price.

If the Company makes such request, the Tender Offeror is required to discuss in good faith with the Company a revision to the Tender Offer Price and, by the earlier of (x) the date falling five Business Days after the date on which such request is made and (y) the Business Day immediately preceding the Expiration Date of the Tender Offer Period (or, if such request is made after the Business Day immediately preceding the Expiration Date of the Tender Offer Period, immediately after such request), to make a legally binding revised proposal, in writing or by electronic record, to increase the Tender Offer Price to an amount not less than the consideration offered to the shareholders in the Qualified Competing Tender Offer. If the Tender Offeror fails to make such revised proposal, and (A) it is reasonably determined that maintaining the Company's opinion in support of the Tender Offer may constitute a breach of the directors’ duty of care, or (B) the Special Committee advises or recommends that the Company withdraw or modify its opinion in support of the Tender Offer, the Company may adopt a resolution of its board of directors to withdraw or modify such opinion, provided that the purchase price offered in the Qualified Competing Tender Offer or the Competing Proposal exceeds the revised Tender Offer Price.

In addition, with respect to the agreement described in (b) above, where the Company is permitted to withdraw or modify its opinion in support of the Tender Offer pursuant to the foregoing provisions, such restrictions will not apply to the third party that has commenced the Qualified Competing Tender Offer or made the Competing Proposal. Furthermore, such restrictions will also not apply where the Company reasonably determines that a third party may commence a Qualified Competing Tender Offer or make a Competing Proposal prior to the Expiration Date of the Tender Offer Period, and further reasonably determines that refraining from providing information regarding the Company Group or other information to such third party, or refraining from engaging in discussions or negotiations with such third party, could constitute a breach of the directors’ duty of care, in which case the Company may, in response to the reasonable request of such third party, provide such information and engage in discussions or negotiations with such third party.

The Company has not conducted an active market check, such as investigating the existence of potential acquirers in the market, including a pre-signing auction process. However, because comprehensive fairness-enhancing measures have been implemented in connection with the Transactions, including the Tender Offer, and sufficient consideration has been given to the interests of the Company’s shareholders through fair procedures, the fact that the Company did not conduct an active market check does not impair the procedural fairness of the Tender Offer.

(4) Majority of the Minority Condition

No majority of minority condition (the “MoM Condition”) has been set for the Tender Offer.

The Fair M&A Guidelines point out that, where the acquirer already holds a high percentage of Company Shares, such as in an acquisition of a controlled subsidiary by its controlling shareholder, imposing a MoM Condition may impede the completion of an M&A transaction that would enhance corporate value. Accordingly, the Fair M&A Guidelines state that it is difficult to conclude that a MoM Condition should always be imposed and that the target company's board of directors and special committee should determine whether such a condition is necessary by comprehensively considering the effectiveness and potential disadvantages of imposing such a condition in light of the specific circumstances of the relevant M&A transaction. The Fair M&A Guidelines further state that, where a MoM Condition is not imposed, it is important to compensate for its absence by enhancing other fairness-enhancing measures so that the fairness of the transaction terms is ensured as a whole.

As of the date hereof, the Tender Offeror Group and Nippon Steel collectively own

12,231,805 Company Shares (Ownership Ratio: 51.91%). In addition, as described in 2 above, the Transactions are considered to contribute to the enhancement of the Company's corporate value. Accordingly, it is considered that the concerns identified in the Fair M&A Guidelines with respect to imposing a MoM Condition are applicable to the Transactions.

Furthermore, in light of (i) the reasonableness of the transaction terms of the Tender Offer, as described in 3 above, and (ii) the implementation of the fairness-enhancing measures described in Sections 4(1) through 3(3) and 4(5) and 4(6), it is considered that the absence of a MoM Condition does not, in itself, impair the procedural fairness of the Tender Offer.

(5) Enhancement of Information Disclosure to General Shareholders and Improvement of Process Transparency

(a) Information Regarding the Special Committee

In connection with the Transactions, the Company's disclosure materials are expected to disclose: (i) information regarding the qualifications of the members of the Special Committee; (ii) the resolution of the Company's board of directors adopted simultaneously with the resolution establishing the Special Committee, including the board's commitment to give the utmost respect to the opinion of the Special Committee, as well as information regarding the authority granted to the Special Committee to appoint its own Advisors; (iii) information regarding the deliberation process of the Special Committee and its substantive involvement in the negotiations between the Company and the Tender Offeror; (iv) the contents of the Special Committee Report and the reasons therefor (including the reasons for its conclusions as to whether the Transactions will contribute to the enhancement of the Company's corporate value and whether the purpose thereof is legitimate and reasonable, whether the fairness and reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, have been ensured, whether the procedural fairness of the Transactions has been ensured, and whether the Transactions are fair to the Company's general shareholders); and (v) the fact that the compensation of each member of the Special Committee consists solely of a fixed fee and does not include any success fee contingent upon the announcement or completion of the Transactions. Accordingly, it is considered that the information required under the Fair M&A Guidelines will be sufficiently disclosed.

(b) Information Regarding the Share Valuation Reports and the Fairness Opinion

In connection with the Transactions, the Company's disclosure materials are expected to disclose: (i) the contents of the Share Valuation Report (Mizuho Securities), the Share Valuation Report (Plutus) and the Fairness Opinion, including information regarding each valuation analysis (average market price analysis and DCF Analysis) and the process by which the value of the Company's shares was calculated under each valuation analysis; and (ii) the fact that neither Mizuho Securities nor Plutus is a related party of the Company Group, the Tender Offeror Group or Nippon Steel, and that neither has any material interest in the Transactions. Accordingly, it is considered that the information required under the guidelines of the TSE will be appropriately disclosed.

(c) Other Information

In connection with the Transactions, the Company's disclosure materials are expected to disclose: (i) information regarding the process leading to the implementation of the Transactions; (ii) information regarding the specific nature of the interests that Mr. Kazuma Yamanaka and Ms. Noriko Miyamoto, directors of the Company, and Mr. Soichi Miyazawa, Mr. Shohei Yamamoto and Mr. Tomomi Mohri, corporate auditors of the Company, have in the Transactions (including the fact that they did not participate in any deliberation or resolution of the Company's board of directors relating to the establishment of the Special Committee or the determination of whether to approve or oppose the Transactions, and that they did not participate, on behalf of the Company, in the consideration of the Transactions or in any discussions or negotiations with the Tender Offeror regarding the Transactions); (iii) information regarding the specific course of the discussions and negotiations between the Company and the Tender Offeror concerning the transaction terms; and (iv) the fact that none of the directors who participated in the board resolution determining whether to approve or oppose the Transactions voted against such resolution. Accordingly, it is considered that the information required under the Fair M&A Guidelines will be sufficiently disclosed.

(6) Elimination of Coerciveness

The Squeeze-out Procedure is expected to be implemented by way of the Share Consolidation. Under such procedure, shareholders who oppose the Transactions will be entitled to exercise appraisal rights or petition the court for a determination of the price. In addition, it is expected to be disclosed that (i) if the Share Repurchase Tender Offer is successfully completed, the Squeeze-out Procedure by way of the Share Consolidation will be implemented, and (ii) upon the Share Consolidation, the amount of cash to be delivered to the Company's shareholders as consideration will be calculated so that it will equal the Tender Offer Price multiplied by the number of the Company's shares held by each such shareholder (excluding the Tender Offeror, Nippon Steel and the Company).

Furthermore, according to the Tender Offeror, the tender offer period for the Tender Offer is expected to be set at the statutory minimum of 20 business days (provided, however, that it may exceed 20 business days due to differences between holidays in Japan and the United States). Nevertheless, the Tender Offer is a so-called pre-announcement tender offer, and it is contemplated that a relatively lengthy period will be secured between the public announcement of the series of transaction terms, including the Tender Offer Prices, and the commencement of the Tender Offer.

Accordingly, there are no circumstances that would give rise to speculation that shareholders who do not tender their shares would be treated disadvantageously. In addition, the structure of the Transactions ensures that the Company's shareholders are afforded an appropriate opportunity to determine whether or not to tender their shares in the Tender Offer, and due consideration has therefore been given to preventing any coercive effect.

(7) Summary

As described above, in connection with the Transactions, appropriate measures consistent with the fairness-enhancing measures set forth in the Fair M&A Guidelines have been implemented, and no unreasonable aspects are identified in such measures. Accordingly, it is considered that the procedural fairness of the Transactions has been ensured.

5. Whether the Transactions Are Considered Fair to the Company's General Shareholders (Consultation Matter (4))

As described in Sections 2 through 4 above, (i) the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose of the Transactions is recognized as being legitimate and reasonable (see 2 above); (ii) the fairness and reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, are considered to have been ensured (see 3 above); and (iii) the procedural fairness of the Transactions is considered to have been ensured (see 4 above). Accordingly, it is considered that the Transactions are fair to the Company's general shareholders.

6. Whether It Is Appropriate for the Company's Board of Directors to Express Its Opinion in Support of the Tender Offer and Recommend That the Company's Shareholders Tender Their Shares in the Tender Offer (Consultation Matter (5))

As described in Sections 2 through 5 above, (i) the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose of the Transactions is recognized as being legitimate and reasonable (see 2 above); (ii) the fairness and reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, are considered to have been ensured (see 3 above); (iii) the procedural fairness of the Transactions is considered to have been ensured (see 4 above); and (iv) the Transactions are considered to be fair to the Company's general shareholders (see 5 above). Accordingly, it is considered appropriate for the Company's board of directors to express its opinion in support of the Tender Offer and to resolve to recommend that the Company's shareholders tender their shares in the Tender Offer.

VI. Qualifications and Limitations on Use

1. Qualifications

This Special Committee Report shall be interpreted solely with respect to the matters expressly set forth herein, and no matter not expressly addressed in this Special Committee Report shall be inferred or construed by implication or through an expansive interpretation.

This Special Committee Report is based on the assumptions that: (i) the procedures relating to the Transactions will be carried out by each of the Company and the Tender Offeror in compliance with the Companies Act, the Financial Instruments and Exchange Act, the Securities Listing Regulations and all other applicable laws, regulations and rules; (ii) the information provided to the Special Committee by the Company, Mizuho Securities, Plutus, TKI, the Tender Offeror, Nomura Securities, Nagashima Ohno & Tsunematsu, the Tender Offeror's legal advisor, and Nippon Steel is true, accurate and complete as of the date of this Special Committee Report, that no information necessary to avoid misleading the Special Committee has been omitted, and that there has been no change in such information as of the date of this Special Committee Report; and (iii) there exists no material information, other than such information, that could affect the contents of the opinion expressed by the Special Committee. The Special Committee has not conducted any independent verification of the truthfulness, accuracy or completeness of such information.

It is expected that a considerable period of time will elapse between the public announcement of the Tender Offer and its commencement. Accordingly, if, for example, the market price of the Company's shares exceeds the Tender Offer Prices during such period or other material changes occur before the commencement of the Tender Offer, separate consideration may be required. Therefore, the opinion of the Special Committee with respect to the Consultation Matters is based on the circumstances existing as of the date of this Special Committee Report.

Furthermore, this Special Committee Report does not guarantee any interpretation or determination by any court, governmental authority or self-regulatory organization.

For the avoidance of doubt, the terms used in this Special Committee Report by the Special Committee shall have the meanings ascribed to them under the laws and regulations of Japan that apply directly to the Company as a company listed in Japan.

2. Limitations on Use

This Special Committee Report has been prepared solely for the purpose of providing the Company's board of directors with the Special Committee's opinion on the Consultation Matters, and on the premise that the Company will maintain the strict confidentiality of the contents hereof. Accordingly, the Company shall not use this Special Committee Report for any purpose other than the foregoing without the prior written consent of all members of the Special Committee, nor shall it permit any third party to use this Special Committee Report, except where disclosure or use is required by applicable laws and regulations or the rules of a securities exchange.

Notwithstanding the foregoing, nothing herein shall preclude any member of the Special Committee from using this Special Committee Report for the protection of his or her own rights or interests where there is a legitimate reason for doing so.

END