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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
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Notice Concerning the Plan to Conduct a Share Repurchase and a Tender Offer for Share Repurchase

The Company hereby announces that it resolved at a meeting of its board of directors held today to conduct a share repurchase, and a tender offer for the share repurchase (the "Tender Offer for Share Repurchase") as a specific method of acquisition, pursuant to the provisions of the Articles of Incorporation of the Company in accordance with Article 459, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") and Article 156, Paragraph 1 of the Companies Act.

Regarding the implementation of the Tender Offer for Share Repurchase, subject to the successful completion, etc. of the tender offer for the common stock of the Company (the "Company Shares") by Nippon Yusen Kabushiki Kaisha (the "Tender Offeror for Shares of the Company"), which was announced today by the Tender Offeror for Shares of the Company in its "Notice Concerning the Planned Commencement of a Tender Offer for Shares of NS United Kaiun Kaisha, Ltd. (Securities Code: 9110)" (the "Tender Offeror's Press Release") (such tender offer the "Tender Offer for Shares of the Company", and collectively with the Tender Offer for Share Repurchase as "Dual Tender Offers") (hereinafter, the conditions for commencement of the Tender Offer for Share Repurchase shall be referred to as the "Conditions Precedent to Tender Offer for Share Repurchase"), the Company resolved to conduct a share repurchase, and a tender offer as a specific method of acquisition, pursuant to the provisions of the Articles of Incorporation of the Company in accordance with Article 459, Paragraph 1 and Article 156, Paragraph 1 of the Companies Act, as the second step of the Transactions (as defined in "(1) Overview of the Purpose of the Tender Offer for Share Repurchase" under "1. Purpose of Purchases, etc." below; the same shall apply hereinafter) following the implementation of the Tender Offer for Shares of the Company, for the purpose of acquiring 4,720,438 shares (Ownership Ratio: 20.03%; the "Shares to Be Tendered for Share Repurchase") out of the Company Shares (7,861,280 shares, Ownership Ratio (Note 1): 33.36%) owned by Nippon Steel Corporation ("Nippon Steel"). Subject to satisfaction of all the Conditions Precedent to Tender Offer for Share Repurchase, following the commencement date of the settlement of the Tender Offer for Shares of the Company (currently scheduled for early January, 2027 as of today), the Company plans to promptly resolve and announce the commencement of the Tender Offer for Share Repurchase at a meeting of its board of directors, and plans to conduct the Tender Offer for Share Repurchase starting from the following business day (currently scheduled for early January, 2027 as of today).

Note 1: "Ownership Ratio" means the ratio (rounded to the nearest two decimal places; the same shall apply hereinafter to the calculation of the Ownership Ratio) to the number of shares (23,565,487 shares; the "Base Number of Shares") calculated by deducting the number of treasury shares owned by the Company as of June 30, 2026 (405,192 shares) as stated in the "Summary of Company Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (Japanese GAAP)" published by the Company on July 31, 2026 (the "Company's Financial Results") from the total number of issued shares of the Company as of June 30, 2026 (23,970,679 shares) as stated in the Company's Financial Results.

In addition, if the scheduled timing of the resolution to commence the Tender Offer for Share Repurchase is changed, we will inform you in advance. For details of the Conditions Precedent to the Tender Offer for Share Repurchase, please refer to (B) Tender Offer Agreement of "(4) Material Agreements Relating to Dual Tender Offers" under "1. Purpose of Purchases, etc." below.

1. Purpose of Purchases, etc.

(1) Overview of Purpose of the Tender Offer for Share Repurchase

As of today, the Tender Offeror for Shares of the Company is a company listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "TSE") and is the second-largest shareholder of the Company, directly holding 4,324,725 Company Shares (Ownership Ratio: 18.35%), which are also listed on the Prime Market of the TSE, and, when combined with 45,800 Company Shares indirectly held through Naikai Tug Boat Co., Ltd. ("Naikai Tug Boat"), a wholly-owned subsidiary of the Tender Offeror for Shares of the Company (Ownership Ratio: 0.19%), holds a total of 4,370,525 Company Shares (Ownership Ratio: 18.55%) and accounts for the Company as an equity-method affiliate. The Tender Offeror for Shares of the Company resolved at the board of directors meeting 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" below under "(4) Material Agreements Relating to the Dual Tender Offers") and a basic agreement (the "Basic Agreement") with Nippon Steel, the top shareholder of the Company owning 7,861,280 Company Shares (shareholding ratio: 33.36%) which treats the Company as an equity-method affiliate, and subject to the satisfaction (or waiver by the Tender Offeror for Shares of the Company (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 for Shares of the Company 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 for Shares of the Company and Nippon Steel Corporation ("Nippon Steel"), and the treasury shares held by the Company), making the Company a consolidated subsidiary of the Tender Offeror for Shares of the Company, and making the Tender Offeror for Shares of the Company and Nippon Steel the sole shareholders of the Company, and setting the respective shareholding ratios of the Tender Offeror for Shares of the Company and Nippon Steel in the Company following the privatization of the Company Shares at 83.33% and 16.67% (the "Shareholding Ratios") (Note 2).

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 for Shares of the Company (the "Expression of an Opinion in Support of the Tender Offer for Shares of the Company") and to recommend that the shareholders of the Company tender their shares in the Tender Offer for Shares of the Company (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 for Shares of the Company nor the Recommendation to Tender, nor has any resolution contradicting the same been made; (ii) the Special Committee (as defined below) has provided a favorable report to the Company's board of directors regarding the Company expressing support for the Tender Offer for Shares of the Company and recommending that the shareholders of the Company tender their shares in the Tender Offer for Shares of the Company, 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 ability to achieve the purpose of the Tender Offer for Shares of the Company as stipulated in the proviso to Article 27-11, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act"); (v) clearance with respect to competition law and other laws and regulations necessary for the execution of the Transactions has been obtained or is objectively expected to be obtained (the "Clearance"); (vi) the commencement of the Tender Offer for Shares of the Company by the Tender Offeror for Shares of the Company does not violate laws and regulations, etc.Note 2: With respect to the Shareholding Ratios, the Tender Offeror for Shares of the Company, 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 corporate value of the Company, and held discussions with Nippon Steel and made a final determination.

The Transactions consist of: (i) the Tender Offer for Shares of the Company by the Tender Offeror for Shares of the Company for the purpose of acquiring all of the Company Shares (excluding the Company Shares held by the Tender Offeror for Shares of the Company 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 for Shares of the Company, the "Dual Tender Offers"), which is to be commenced subject to the successful completion of the Tender Offer for Shares of the Company etc., 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 for Shares of the Company and Nippon Steel the sole shareholders of the Company (the "Squeeze-Out Procedures") conducted in the event the Tender Offeror for Shares of the Company is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror for Shares of the Company and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer for Shares of the Company.

As described in "(A) Background, Purpose and Decision-Making Process Leading to the Decision by the Tender Offeror for Shares of the Company to Conduct Dual Tender Offers" under "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Conduct the Dual Tender Offers, and Management Policy After the Dual Tender Offers" below, the Tender Offeror for Shares of the Company determined that, by setting the Tender Offer Price for Share Repurchase (as defined below; the same applies hereinafter) lower than the Tender Offer Price for Shares of the Company (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 for Shares of the Company, it would be possible to provide general shareholders of the Company an opportunity to sell their shares at a higher price through the Tender Offer for Shares of the Company, which serves the interests of the general shareholders of the Company. The Tender Offeror for Shares of the Company, therefore, adopted the scheme in which the Company conducts the Tender Offer for Share Repurchase in addition to the Tender Offer for Shares of the Company by the Tender Offeror for Shares of the Company. Consequently, if the Tender Offer for Shares of the Company is not successful, then the Tender Offer for Share Repurchase is not expected to be conducted.

Since the Tender Offer for Shares of the Company requires clearance with respect to prior notifications under domestic and foreign competition laws (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 from today. As of today, we aim to obtain clearance with respect to notifications of share acquisitions under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended) within

30 days of the commencement of the notification process; with respect to notifications under the Australian Competition Act, within approximately two (2) to three (3) months of the commencement of the notification process; with respect to notifications under the Chinese Competition Act, within approximately 1.5 to 2.5 months of the commencement of the notification process; and with respect to notifications 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 for Shares of the Company intends to promptly commence the Tender Offer for Shares of the Company upon the completion of the relevant procedures and actions set forth in the Tender Offer Agreement (or upon their waiver by the Tender Offeror for Shares of the Company), including the satisfaction of certain conditions precedent. As of today, the Tender Offeror for Shares of the Company intends to commence the Tender Offer for Shares of the Company from late November 2026 or 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 for Shares of the Company will be announced promptly upon its determination. Furthermore, when notifications under competition laws are made in Australia, China and Brazil, announcements regarding the acquisition of the Company Shares by the Tender Offeror for Shares of the Company 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 announcement by the Tender Offeror for Shares of the Company regarding the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company is announcing its planned commencement of the Tender Offer for Shares of the Company prior to the commencement of such notifications and the commencement of the Tender Offer for Shares of the Company.

Pursuant to the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company has, as of today, executed a basic agreement (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 the Company Shares it holds 7,861,280 shares, ownership ratio: 33.36%) in the Tender Offer for Shares of the Company; (ii) with respect to 4,720,438 shares (ownership ratio: 20.03%) out of the Company Shares held by Nippon Steel, Nippon Steel will tender such shares in the Tender Offer for Share Repurchase, and with respect to the remaining 3,140,842 shares (ownership ratio: 13.33%; the "Shares Not to Be Tendered for Share Repurchase"), Nippon Steel will not tender such shares in the Tender Offer for Share Repurchase (Note 3); (iii) in the event the Tender Offeror for Shares of the Company is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror for Shares of the Company and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer for Shares of the Company, as described in "(6) Policy for Organizational Restructuring, etc. after Dual Tender Offers" below, the Tender Offeror for Shares of the Company will, after the successful completion of the Tender Offer for Shares of the Company, request the Company to hold an extraordinary general meeting of shareholders (the "Extraordinary Shareholders' Meeting") with agenda items including a proposal for share consolidation pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended) (the "Share Consolidation") and a proposal for a partial amendment to the articles of incorporation to abolish the provisions on share unit numbers subject to the effectiveness of the Share Consolidation, for the purpose of making the Tender Offeror for Shares of the Company and Nippon Steel the sole shareholders of the Company; and (iv) Nippon Steel will vote in favor of the proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting.

Note 3: The Shares to Be Tendered for Share Repurchase and the Shares Not to Be Tendered for Share Repurchase have been set, respectively, taking into account that, upon the Share Consolidation to be conducted after the Dual Tender Offers, in order to set an appropriate consolidation ratio to achieve the Shareholding Ratios for the shareholding ratios of the Tender Offeror for Shares of the Company and

Nippon Steel in the Company after the privatization of the Company Shares, it is necessary to have Nippon Steel tender only 4,720,438 shares out of the Company Shares held by Nippon Steel in the Tender Offer for Share Repurchase.

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

For an overview of the Basic Agreement, please refer to "(A) Basic Agreement" under "(4) Material Agreements Relating to the Dual Tender Offers" below.

In the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company 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 for Shares of the Company (the "Tendered Shares, Etc.") is less than the minimum number of shares to be purchased, the Tender Offeror for Shares of the Company will not purchase any of the Tendered Shares, Etc. On the other hand, the intention of the Tender Offeror for Shares of the Company is to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror for Shares of the Company and Nippon Steel, and the treasury shares held by the Company) and to make the Tender Offeror for Shares of the Company 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 for Shares of the Company 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 for Shares of the Company (4,324,725 shares). As the purpose of the Transactions is to take the Company Shares private and to make the Tender Offeror for Shares of the Company 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 for Shares of the Company, the Tender Offeror for Shares of the Company 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 for Shares of the Company 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 for Shares of the Company (as of today, expected to be around early January 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 all voting rights pertaining to all of the Company Shares it holds in favor 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 for Shares of the Company due to changes in the number of treasury shares held by the Company after today. Prior to the commencement of the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company plans to finalize 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 for Shares of the Company.

From the perspective of maintaining confidentiality regarding the consideration of the Transactions, the Tender Offeror for Shares of the Company did not provide any explanation regarding the Dual Tender Offers to Naikai Tug Boat, a wholly-owned subsidiary of the Tender Offeror for Shares of the Company, prior to the public announcement of the Dual Tender Offers, nor has it entered into any agreement with Naikai Tug Boat regarding all of the Company Shares held by Naikai Tug Boat with respect to the Tender Offer for Shares of the Company. However, following the public announcement of the Dual Tender Offers, the Tender Offeror for Shares of the Company plans to request that Naikai Tug Boat tender all of the Company Shares it holds, 45,800 shares (ownership ratio: 0.19%), in the Tender Offer for Shares of the Company. Taking into consideration the capital relationship between the Tender Offeror for Shares of the Company and Naikai Tug Boat, the Tender Offeror for Shares of the Company believes that Naikai Tug Boat will tender its shares in the Tender Offer for Shares of the Company. As such, the Tender Offeror for Shares of the Company does not plan to enter into a tender agreement with Naikai Tug Boat.

In the event the Tender Offeror for Shares of the Company is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror for Shares of the Company and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company plans to implement the Squeeze-Out Procedures for the purpose of making the Tender Offeror for Shares of the Company and Nippon Steel the sole shareholders of the Company after the successful completion of the Tender Offer for Shares of the Company, as described in "(6) Policy for Organizational Restructuring, etc. after Dual Tender Offers" below.

The Company, at its board of directors meeting held today, resolved, subject to the successful completion of the Tender Offer for Shares of the Company etc., to acquire treasury shares 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, 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 held by Nippon Steel as the second phase of the Transactions following the implementation of the Tender Offer for Shares of the Company. The Company plans to resolve and announce the commencement of the Tender Offer for Share Repurchase at a meeting of its board of directors promptly after the date of public announcement of the results of the Tender Offer for Shares of the Company (currently scheduled for early January 2027 as of today), and to conduct the Tender Offer for Share Repurchase starting from the following business day (currently scheduled for early January 2027 as of today).

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 for Shares of the Company (the "Tender Offer Price for Shares of the Company"), 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 for Shares of the Company of JPY 10,600.

Note 4: The difference between the Tender Offer Price for Shares of the Company 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 for Shares of the Company, Nippon Steel and the Company, taking into consideration the factors described below. For details of the process of determining the Tender Offer Price for Shares of the Company and the Tender Offer Price for Share Repurchase, please refer to "(A) Background, Purpose and Decision-Making Process Leading to the Decision by the Tender Offeror for Shares of the Company to Conduct Dual Tender Offers" under "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Conduct the Dual Tender Offers, and Management Policy After the Dual Tender Offers" below.

(a) Taking into account that the dividends received deduction with respect to 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 in the case that Nippon Steel tenders its Company Shares in the

Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will be equal to the after-tax net proceeds per share in the case that Nippon Steel were to tender its Company Shares in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company. Accordingly, the after-tax net proceeds per share in the case where Nippon Steel tenders 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 received in the case that Nippon Steel were to tender its Company Shares in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company, 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 for Shares of the Company, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price for Shares of the Company, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer for Shares of the Company, it would be possible to provide general shareholders of the Company an opportunity to sell at a higher price through the Tender Offer for Shares of the Company, which serves the interests of the general shareholders of the Company.

(c) In the event that the Tender Offer for Share Repurchase is not conducted in the Transactions, and a negotiated share repurchase from Nippon Steel is executed after privatization, depending on the number of shares tendered in the Tender Offer for Shares of the Company and the ratio of the subsequent share consolidation, the applicable ratio under the dividends received income deduction system under the Corporation Tax Act for Nippon Steel, as the counterparty to such share repurchase, may decrease accordingly; therefore, conducting the Tender Offer for Share Repurchase allows the price for the Company's acquisition of its own shares held by Nippon Steel to be set lower, and as a result, enables the Tender Offer Price for Shares of the Company to be set higher, providing the general shareholders of the Company with an opportunity to sell their shares at an even higher price through the Tender Offer for Shares of the Company.

Taking into account that provisions with respect to exclusion of 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, Nippon Steel's after-tax net proceeds per share in the event that Nippon Steel tenders its shares in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company are equivalent to Nippon Steel's after-tax net proceeds per share received in the event that Nippon Steel were to tender its shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase. The Tender Offeror for Shares of the Company expects that shareholders of the Company other than Nippon Steel will tender their shares in the Tender Offer for Shares of the Company 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 1,178,274 shares. Furthermore, if, after the successful completion of the Tender Offer for Shares of the Company, 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 for Shares of the Company the number of Company Shares held by the Tender Offeror for Shares of the Company, 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 share certificates, etc. tendered in the Tender Offer for Share Repurchase (the "Tendered Share Certificates, Etc. to Tender Offer 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 Share Certificates, Etc. to Tender Offer for Share Repurchase. As described above, the Tender Offeror for Shares of the Company expects that shareholders of the Company other than Nippon Steel will tender their shares in the Tender Offer for Shares of the Company; however, if the total number of the Tendered Share Certificates, Etc. to Tender Offer 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 share certificates, 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; the "Cabinet Office Ordinance"). However, if the total number of the Tendered Share Certificates, Etc. to Tender Offer 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 are purchased, etc., 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 for Shares of the Company. 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 for Shares of the Company per share will be delivered.

As described in the "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" released by the Company today, the Company resolved at the meeting of its board of directors held today to approve the execution of the Tender Offer Agreement, and as the Company's opinion at the present time, to express its opinion in favor of the Tender Offer for Shares of the Company when the Tender Offer for Shares of the Company is commenced, and to recommend that the Company's shareholders tender their shares in the Tender Offer for Shares of the Company.

In addition, at the above meeting of the board of directors, the Company also resolved that when the Tender Offer for Shares of the Company is commenced, the Company's board of directors will consult the Special Committee, which was established by the Company's board of directors with respect to the Tender Offer for Shares of the Company, to examine whether or not there is any change in the opinion expressed by the Special Committee to the Company's board of directors dated July 31, 2026, and to state to the Company's board of directors to that effect if there is no change, or to state the changed opinion if there is any change, and based on such opinion of the Special Committee, to re-express its opinion concerning the Tender Offer for Shares of the Company at the time the Tender Offer for Shares of the Company is commenced. For details of such resolution of the Company's 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 "(5) Measures to Ensure the Fairness of Dual Tender Offers" below.

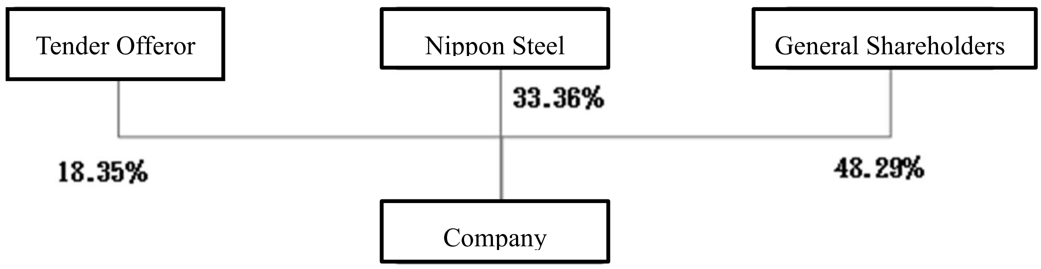
In addition to the above resolution, as described in the "Notice Concerning the Plan to Conduct a Share Repurchase and a Tender Offer for Share Repurchase" released by the Company today, subject to the successful completion, etc. of the Tender Offer for Shares of the Company, pursuant to the provisions of the Company's articles of incorporation under Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the Companies Act, as the second step of the Transactions following the implementation of the

Tender Offer for Shares of the Company, the Company resolved at the meeting of its board of directors held today to acquire its own shares for the purpose of acquiring the Shares to Be Tendered for Share Repurchase held by Nippon Steel and to conduct the Tender Offer for Share Repurchase as a specific method of such acquisition.

[Schematics of the Transactions]

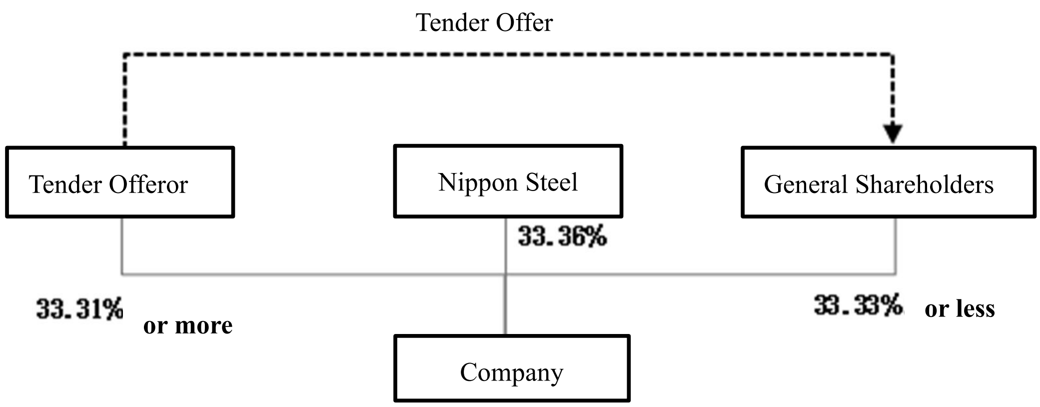
(i) Before the implementation of the Tender Offer (current status)

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



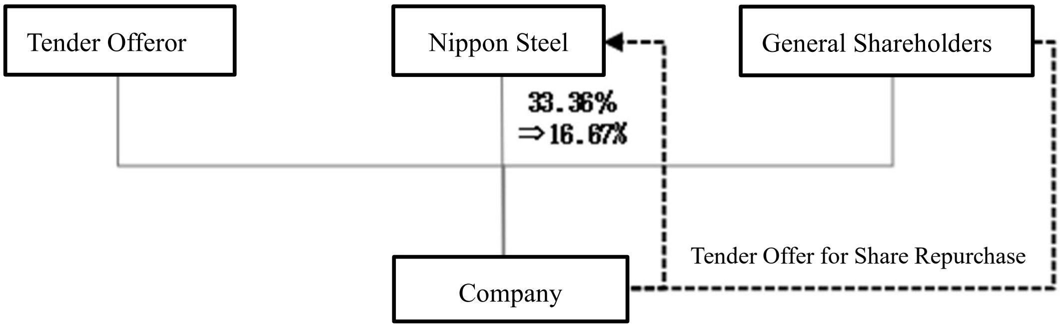
(ii) Tender Offer for Shares of the Company (late November 2026 (scheduled))

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



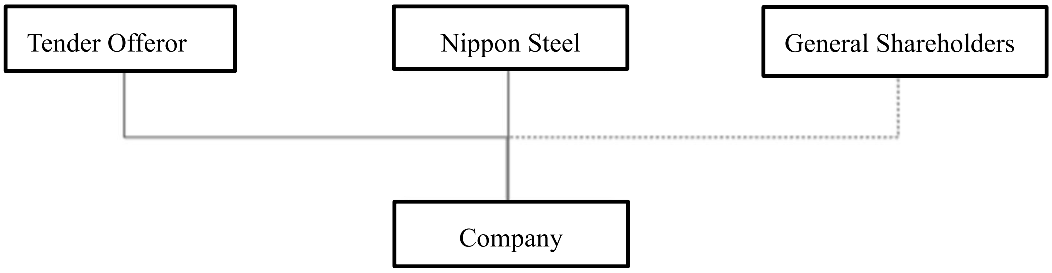
(iii) Tender Offer for Share Repurchase (Around early January 2027 (scheduled))

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 (Around mid April 2027 (scheduled))

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



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

After the Transactions, the Tender Offeror for Shares of the Company and Nippon Steel will be the sole shareholders of the Company, and the Shareholding Ratios will be 83.33% and 16.67%, respectively.

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

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

(A) Background, Purpose and Decision-Making Process Leading to the Decision by the Tender Offeror for Shares of the Company to Conduct Dual Tender Offers

The Tender Offeror for Shares of the Company 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 for Shares of the Company expanded its business broadly centering on ocean transport, including the liner & logistics business (Note 1) (consisting of liner trade, 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 for Shares of the Company listed its shares on the TSE, the Osaka Securities Exchange, Inc. (which merged with the TSE in 2013) and the Nagoya Stock Exchange, Inc. 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 delisted due to their mergers 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 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 shares of the Tender Offeror for Shares of the Company were transferred from the First Section of the TSE to the Prime Market, and the Tender Offeror for Shares of the Company is currently listed only on the Prime Market of the TSE. As of June 30, 2026, the Tender Offeror for Shares of the Company consists of 575 consolidated subsidiaries and 250 equity-method affiliates (collectively with the Tender Offeror for Shares of the Company, the "Tender Offeror Group"). The Tender Offeror Group recognizes that it operates one of the largest fleets in the world, with 912 vessels (as of March 2026) 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 consolidated subsidiaries of the Tender Offeror for Shares of the Company. As of today, the air cargo business is not included in the Tender Offeror Group's business.

Note 2: 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 its business from approximately 650 locations in more than 45 countries and regions, and provides comprehensive services optimizing overall logistics ranging from ocean and air freight forwarding and the operation of logistics centers to transportation and distribution. The liner trade business and logistics business are collectively referred to as the "liner & logistics business."

Note 3: Dry bulk business supports society's infrastructure with high-quality transportation services using technologies and fleets tailored to the characteristics of the solid cargo such as iron ore, coal, grain, and wood chips that are 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 Current Medium-term Business 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 been considering opportunities and risks for its business to decide the direction of individual businesses (AX: Ambidexterity & BX: Business Transformation) (Note 4). The Tender Offeror Group has been enhancing human capital and corporate infrastructure, such as transformation of group management, and strengthening of governance (CX: Corporate Transformation), promotion of digital infrastructure development (DX: Digital Transformation) and accelerate decarbonization efforts (EX: Energy Transformation).

The medium-term business plan sets out "advance existing core business" 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 in existing business, with a policy of further advancing value-addition and increasing competitiveness and profitability.

The Dry Bulk Business Division of the Tender Offeror for Shares of the Company has been operating its business based on primarily the "dry four strategies" formulated in 2018: (1) Engage in advanced exposure management (Note 5) and improve market forecasting capabilities, (2) Make advancements in the non-asset tramp shipping business, (3) Accumulate stable long-term profits through a stronger bulk shipping business, and (4) Participate in the supply chain beyond the shipping industry. It will work to deepen business development around the world and pursue measures to advance decarbonization and improve capital efficiency.

Note 4: Refers to "advancing existing core business and investing in new growth business" and "challenging future strategic growth business" set forth in the Tender Offeror Current Medium-term Business Plan.

Note 5: Refers to visualizing and managing the extent to which earnings are impacted by fluctuations in freight market conditions.

On the other hand, in April 1950, the Company was spun off and established as Nittetsu Steamship Co., Ltd. from Japan Iron & Steel Co., Ltd. pursuant to the Act on Elimination of Excessive Concentration of Economic Power, along with Yawata Iron & Steel Co., Ltd., Fuji Iron & Steel Co., Ltd., and Harima Refractories Co., Ltd. In February 1962, it merged with Toho Shipping Co., Ltd. to become Shinwa Kaiun Kaisha, Ltd., the predecessor of the Company, and in 1964, it was welcomed into the Tender Offeror Group based on the shipping industry reorganization policy (Shipping Industry Reconstruction and Reorganization Act). Subsequently, in October 2010, it merged with Nittetsu Kaiun 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 for Shares of the Company has not acquired any Company Shares in the past five years counting from today. Furthermore, the Company Shares were listed on the TSE, the Osaka Securities Exchange, and the Kobe Stock Exchange in January 1951, and were listed on the Nagoya Stock Exchange, Inc. and the Fukuoka Stock Exchange in August 1957. Thereafter, the Kobe Stock Exchange was delisted due to its merger with the Osaka Securities Exchange in October 1967; the Nagoya Stock Exchange, Inc. and the Fukuoka Stock Exchange were delisted in March 2013; and the Osaka Securities Exchange was delisted due to its merger with the TSE in July 2013, respectively. In April 2022, due to the restructuring of market classifications on the TSE, 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 consists of 67 subsidiaries and 5 affiliates (collectively with the Company, the "Company Group").

The Company Group primarily operates 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.

Looking at the business 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 for Shares of the Company 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, grains, 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 the market's characteristic that changes in supply and demand for shipping capacity are easily reflected in freight rates, supply for shipping capacity is difficult to adjust in the short term. The structure of the freight market is highly susceptible to significant fluctuations. Therefore, the market is far from optimistic. With rapid changes in the external environment as described above, and despite the existence of significant profit opportunities, having been exposed to unpredictable potential risks, the Tender Offeror for Shares of the Company 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, it is vital that the Tender Offeror for Shares of the Company continually rebalance its fleet portfolio to adapt to market fluctuations, agilely identify changes in the market environment, and operate its business with a long-range perspective and a consistent strategy. In recent years, the intensity of changes in the external environment surrounding the dry bulk business has been increasingly amplified, and responding swiftly and flexibly to these intense 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 solutions in shipping. 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 cargo type due to the decline in coal demand and the increase in demand for transportation of liquid cargoes, such as ammonia and liquefied carbon dioxide (CO2), are necessary for continuous strengthening of competitiveness. At the same time, from the supply-side perspective, it is anticipated that: (1) due to the worsening industry-wide labor shortage, it will become increasingly urgent to ensure the efficient deployment of crews and secure stable crew retention in order to maintain operational stability and safety; and (2) as newbuilding prices rise, it will be necessary to establish an even stronger financial base and accumulate new investment know-how and practices, including for environmental investments, in order to achieve efficient investment.

Given this situation, the Tender Offeror for Shares of the Company believes that in order to implement the above measures, it is necessary to establish a strong partnership between the Tender Offeror for Shares of the Company and the Company. Furthermore, the Tender Offeror for Shares of the Company 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 demands for supply chain advancement to create medium- to long-term collaboration opportunities, and (c) by enhancing collaboration, including the integration of the Company's domestic coastal shipping business with the Tender Offeror for Shares of the Company's international shipping business, strengthening the domestic logistics infrastructure that supports the transportation of steel, energy, and resources, as well as utilizing this collaboration 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 for Shares of the Company with limited capital relationships, and independent business operations are required as they are competing companies from the perspective of competition law, it has been 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 for Shares of the Company 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, 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 for Shares of the Company determined that it would be desirable to make the Company a consolidated subsidiary of the Tender Offeror for Shares of the Company and to take the Company Shares private.

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

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

The Tender Offeror for Shares of the Company recognizes that 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 Year 2018 to Fiscal Year 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 Tender Offeror for Shares of the Company understands that 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 for Shares of the Company's fleet of 414 ships in its dry bulk business (as of March 2026), the Tender Offeror for Shares of the Company believes 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 Tender Offeror for Shares of the Company believes that 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, the Tender Offeror for Shares of the Company also believes that it would be possible to pursue cost benefits by partially introducing shared services for both companies' corporate departments. In this regard, the Tender Offeror for Shares of the Company believes it can provide knowledge and existing frameworks based on its prior examples.

(ii) Capturing new transportation demand resulting from decarbonization

The Tender Offeror for Shares of the Company recognizes that, 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 is actively promoting environmental investments in order to respond to the demand for decarbonization that is increasing from customers and society.

The Tender Offeror for Shares of the Company understands that 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 Tender Offeror for Shares of the Company recognizes that the Company is steadily implementing 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 Tender Offeror for Shares of the Company 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 Tender Offeror for Shares of 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, the Tender Offeror for Shares of the Company believes that 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 for Shares of the Company 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, the Tender Offeror for Shares of the Company believes that 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, the Tender Offeror for Shares of the Company believes that by combining the expertise of both parties it will be able to promote investment in next-generation vessels more efficiently and reliably.

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

The Tender Offeror for Shares of the Company recognizes that 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 Tender Offeror for Shares of the Company understands that 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 has been meeting the diverse logistics needs of its customers both domestically and internationally. The Tender Offeror for Shares of the Company believes that 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 Tender Offeror for Shares of the Company 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 the field, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the Tender Offeror for Shares of the Company 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 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, the Tender Offeror for Shares of the Company believes that 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.

(iv) 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, the Tender Offeror for Shares of the Company expects that by utilizing the human resources bases, including the crews of both companies 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, the Tender Offeror for Shares of the Company believes that improvement in skills and operational efficiency of personnel of both companies can be pursued.

Based on the above understanding, from September 2025 to mid-October of the same year, the Tender Offeror for Shares of the Company 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 for Shares of the Company and the Company, particularly in the Tender Offeror for Shares of the Company's dry bulk business. Subsequently, on October 28, 2025, the Tender Offeror for Shares of the Company made a preliminary approach to Nippon Steel, the largest shareholder of the Company, regarding the Transactions, and commenced discussions, whereby it confirmed that Nippon Steel had an interest in the Transactions and in selling a certain portion of its equity in the Company through the Transactions. Thereafter, from early December 2025 to late January 2026, the Tender Offeror for Shares of the Company exchanged views with Nippon Steel on the overall structure of the Transactions and the management structure and business operations of the Company following the Transactions. During these discussions, the Tender Offeror for Shares of the Company 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 (i) through (iv) above. Meanwhile, the Tender Offeror for Shares of the Company confirmed Nippon Steel's intention to maintain a certain level of capital ties with the Company and to maintain its business relationships and communication with the Company, 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, and the Tender Offeror for Shares of the Company has agreed to Nippon Steel's continued holding of the Company Shares.

Based on this background, from the perspective of (i) maintaining Nippon Steel's interest in the management and business performance of the Company above a certain level and (ii) establishing a cooperative relationship that contributes to the improvement of the Company's business performance, the Tender Offeror for Shares of the Company 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 Ratios 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 for Shares of the Company appointed (i) Nagashima Ohno & Tsunematsu as an independent 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 a 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 "(4) Establishment of an Independent Special Committee by the Company and Obtainment by the Company of a Report from the Special Committee" under "(5) Measures to Ensure the Fairness of the Dual Tender Offers" below) and established a structure to commence a full-scale review of the Transactions, and the Tender Offeror for Shares of the Company received a notice from the Company that it would engage in discussions and negotiations towards the implementation of the Transactions. Thereafter, the Tender Offeror for Shares of the Company conducted due diligence on the Company from mid-March to late June 2026.

In addition, after submitting the Letter of Intent to the Company, the Tender Offeror for Shares of the Company engaged in discussions with Nippon Steel from early February to early July 2026 regarding the scheme of the Transactions. It is said that the Tender Offeror for Shares of the Company and Nippon Steel initially discussed a scheme of executing a negotiated share repurchase from Nippon Steel after taking the Company Shares private, on the grounds that setting the price for share repurchase lower than the Tender Offer Price for Shares of the Company would make it possible to provide the general shareholders of the Company with an opportunity to sell their shares at a higher price through the Tender Offer for Shares of the Company, compared to the case where Nippon Steel tenders in the Tender Offer for Shares of the Company, which would serve the interests of the general shareholders of the Company; however, taking into account that, in the event that the Tender Offer for Share Repurchase is not conducted in the Transactions, and a negotiated share repurchase from Nippon Steel is executed after privatization, depending on the number of shares tendered in the Tender Offer for Shares of the Company and the ratio of the subsequent share consolidation, the applicable ratio under the dividends received income deduction system under the Corporation Tax Act for Nippon Steel, as the counterparty to such share repurchase, may decrease accordingly, they also engaged in discussions regarding a scheme in which the Company conducts a tender offer for share repurchase after the successful completion of the Tender Offer for Shares of the Company for the purpose of acquiring the Shares to Be Tendered for Share Repurchase. In considering the scheme of the Transactions, the Tender Offeror for Shares of the Company determined that the scheme of conducting the Tender Offer for Share Repurchase by the Company in addition to the Tender Offer for Shares of the Company targeting the Company Shares by the Tender Offeror for Shares of the Company, with a difference between the Tender Offer Price for Shares of the Company and the Tender Offer Price for Share Repurchase, is reasonable because: (i) by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price for Shares of the Company, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer for Shares of the Company, 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 for Shares of the Company, which serves the interests of general shareholders of the Company; and (ii) in the event that the Tender Offer for Share Repurchase is not conducted in the Transactions, and a negotiated share repurchase from Nippon Steel is executed after privatization, as mentioned above, depending on the number of shares tendered in the Tender Offer for Shares of the Company and the ratio of the subsequent share consolidation, the applicable ratio under the dividends received income deduction system under the Corporation Tax Act for Nippon Steel, as the counterparty to such share repurchase, may decrease accordingly, and conducting the Tender Offer for Share Repurchase allows the price for the Company's acquisition of its own shares held by Nippon Steel to be set lower, and as a result, enables general shareholders of the Company to be provided with an opportunity to sell their shares at an even higher price through the Tender Offer for Shares of the Company. The Tender Offeror for Shares of the Company therefore examined the adoption of a structure in which the Tender Offer for Shares of the Company and the Tender Offer for Share Repurchase are conducted together.

On that basis, the Tender Offeror for Shares of the Company engaged in repeated discussions and negotiations with the Company regarding the terms and conditions of the Transactions, including the Tender Offer Price for Shares of the Company, and on June 29, 2026, after comprehensively taking into account the information obtained through the due diligence conducted by the Tender Offeror for Shares of the Company on 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 advisor to the Tender Offeror for Shares of the Company, and other factors, submitted to the Company and the Special Committee a proposal letter (the "First Proposal Letter") stating that (i) it intends to adopt a structure in which the Tender Offer for Shares of the Company and the Tender Offer for Share Repurchase will be implemented together, (ii) the Tender Offer Price for Shares of the Company will be JPY 8,000 (representing a premium of 20.12% (rounded to two decimal places; the same shall apply hereinafter for calculations of premium rates) over the closing price of JPY 6,660 on June 26, 2026, the business day immediately preceding the proposal date), (iii) the Tender Offer Price for Share Repurchase is undetermined as of the time of submission of the First Proposal Letter, and (iv) the minimum number of shares to be purchased will be set to the number of shares obtained by multiplying one unit of the Company Shares (100 shares) by the number of voting rights calculated by subtracting the number of voting rights pertaining to the Company Shares owned by the Tender Offeror for Shares of the Company and the number of voting rights pertaining to the Company Shares owned by Nippon Steel from two-thirds of the number of voting rights pertaining to the total number of issued shares of the Company after deducting the number of treasury shares owned by the Company. In response, on July 7, 2026, the Tender Offeror for Shares of the Company received a response from the Company and the Special Committee stating that, as a result of a comprehensive examination taking into account (a) the results of the analysis of the value of the Company Shares using the discounted cash flow method (hereinafter referred to as the "DCF Method") by the third-party valuation institution of the Company and the third-party valuation institution of the Special Committee (including examination regarding the reflection of gains on vessel sales, unrealized gains and asset values of existing vessels, and inherent value in the vessel portfolio in the share value) and whether a fairness opinion would be issued by the third-party institution of the Special Committee, (b) historical market share price trends of the Company Shares, (c) comparison with the value expected to be realized if the Company were dissolved and liquidated at the present time (hereinafter referred to as the "Liquidation Value") (including examination regarding the feasibility of the Company's dissolution and liquidation), (d) premium levels in precedent transaction cases similar to the Transactions (specifically, successful tender offer cases aimed at taking listed companies that are equity-method affiliates private, announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines ("M&A Guidelines"), and May 18, 2026), and (e) synergy effects expected to be realized through the execution of the Transactions, they requested a reconsideration of the terms of the proposal including the Tender Offer Price for Shares of the Company in the First Proposal Letter, and added that regarding the necessity of setting a minimum number of shares to be purchased that satisfies the so-called Majority-of-Minority (hereinafter referred to as "MoM") level (note that MoM here refers to the benchmark number of shares exceeding the number corresponding to a majority (5,689,742 shares) of 11,379,482 shares, which is calculated by subtracting the number of Company Shares owned by the Tender Offeror for Shares of the Company as of today (4,324,725 shares) and the number of Company Shares owned by Nippon Steel as of today (7,861,280 shares) from the Benchmark Shares (23,565,487 shares)), they could not determine at that point that MoM was unnecessary.

In response to such response, on July 10, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the "Second Proposal Letter") proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 6,289, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 16, 2026, the Tender Offeror for Shares of the Company received from the Company and the Special Committee a written response requesting a reconsideration of the terms of the proposal, on the grounds that as a result of a comprehensive examination in light of (a) through (e) above, the Tender Offer Price for Shares of the Company set forth in the Second Proposal Letter could not be said to be fair to the general shareholders of the Company, together with a statement to the effect that regarding the minimum number of shares to be purchased, they could not determine at that point that MoM was unnecessary.

In response to such response, on July 17, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the "Third Proposal Letter") proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 6,774, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 21, 2026, the Tender Offeror for Shares of the Company received from the Company and the Special Committee a written response requesting a reconsideration, on the grounds that as a result of a comprehensive examination in light of (a) through (e) above, the Tender Offer Price for Shares of the Company set forth in the Third Proposal Letter could not be said to be fair to the general shareholders of the Company, together with a statement to the effect that regarding the minimum number of shares to be purchased, they could not determine at that point that MoM was unnecessary.

In response to such response, on the same day, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the "Fourth Proposal Letter") stating that a further price increase would be extremely difficult and, as a final proposal, proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 7,190, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 23, 2026, the Tender

Offeror for Shares of the Company received a written response from the Company and the Special Committee stating that, while they believed that the Tender Offer Price for Shares of the Company set forth in the Fourth Proposal Letter could be evaluated to a certain extent as a result of a comprehensive examination in light of (a) through (e) above, they requested a reconsideration of the Tender Offer Price for Shares of the Company and a response regarding the status of discussions with Nippon Steel concerning the Tender Offer Price for Share Repurchase, on the grounds that (i) regarding MoM, they believed a comprehensive examination was necessary and could not determine at that point that MoM was unnecessary, and (ii) there remained matters to be confirmed in order to examine and determine whether the Transactions could be said to be fair to the general shareholders.

Meanwhile, the Tender Offeror for Shares of the Company, proceeding in parallel with discussions with Nippon Steel regarding the Tender Offer Price for Share Repurchase, proposed to Nippon Steel, on July 24, 2026, that the Tender Offer Price for Shares of the Company be JPY 10,600 and that 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, on the condition that the Transactions be approved at a management meeting of Nippon Steel to be held on July 29, 2026.

Based on the foregoing, on July 25, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a written response (the "Final Proposal Letter") stating that a further price increase would be extremely difficult and, as a final proposal, on the premise of not setting MoM for the minimum number of shares to be purchased, proposing that the Tender Offer Price for Shares of the Company be set at 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 proposal date) and that the Tender Offer Price for Share Repurchase be set at JPY 7,676, while responding that such Tender Offer Price for Shares of the Company and Tender Offer Price for Share Repurchase are prices that have also been agreed to by Nippon Steel, subject to the approval of the Transactions at the management committee meeting of Nippon Steel to be held on July 29, 2026.

In response thereto, on July 28, 2026, the Tender Offeror for Shares of the Company received a letter (the "Response Letter Dated July 28") from the Company and the Special Committee stating that, as a result of a comprehensive examination in light of (a) through (e) above, upon receipt of the Final Proposal Letter, the Special Committee plans to submit a report to the Company's board of directors as of July 30, 2026 stating that the execution of the Transactions is considered fair to the general shareholders of the Company, and that the Company's board of directors, respecting the contents of the Special Committee's report to the maximum extent, plans to resolve to express its opinion at the meeting of its board of directors on July 31, 2026.

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

Thereafter, on July 30, 2026, the Tender Offeror for Shares of the Company was notified by the Company and the Special Committee that, in light of stock market trends as of that date, they confirmed that there was no change in the content of the opinion stated in the Response Letter Dated July 28, and that the Special Committee plans to submit a report to the Company's board of directors as of July 31, 2026 stating that the execution of the Transactions is considered fair to the general shareholders of the Company.

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

Note that the Tender Offer Price for Shares of the Company and the Tender Offer Price for Share Repurchase are prices on the premise 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 in the event that

Nippon Steel tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will be equal to (ii) the after-tax net proceeds per share in the event that Nippon Steel were to tender in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company.

Following the above discussions and negotiations with Nippon Steel and the Company, the Tender Offeror for Shares of the Company 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 for Shares of the Company as part of the Transactions.

(B) Policy Regarding Reorganization, etc., Following Completion of the Dual Tender Offers

The Tender Offeror for Shares of the Company and the Company believe that, through the Transactions, by strategically combining the strengths of the Tender Offeror for Shares of the Company and the Company by integrating the Company's knowledge and track record in having supported maritime transportation mainly for steel raw materials and steel products for many years with the Tender Offeror for Shares of the Company's global network, technical capabilities, and broad business portfolio covering the energy field, etc., it will become possible to continue providing competitive transportation services as an industrial carrier through maintaining and improving safe and high-quality transportation services, further improving cost competitiveness, establishing a steelmaking supply chain in overseas growth markets, and addressing decarbonization in the steelmaking process, while also striving for the further enhancement of corporate value and the development of the Company as a dry bulk operator group with high competitiveness in the global market where the Tender Offeror for Shares of the Company and the Company are united.

As described in "(1) Overview of Purpose of the Tender Offer for Share Repurchase" above, after the successful completion of the Dual Tender Offers, through the Share Consolidation, it is intended that the Shareholding Ratios will ultimately be set at 83.33% and 16.67%, respectively, making the Company a consolidated subsidiary of the Tender Offeror for Shares of the Company. In addition, as described in "(1) Overview of Purpose of the Tender Offer for Share Repurchase" under "1. Purpose of the Purchases, etc." above, since the Tender Offeror for Shares of the Company believes that maintaining the Shareholding Ratios will contribute to the enhancement of the Company's corporate value, as of today, there is no specific plan to additionally acquire Company Shares after the completion of the Dual Tender Offers. Under the Shareholders' Agreement, the Tender Offeror for Shares of the Company and Nippon Steel have agreed that, after the Share Consolidation takes effect, the number of directors of the Company shall be between five (5) and seven (7), as determined from time to time by the Tender Offeror for Shares of the Company, and that Nippon Steel shall have the right to nominate directors in a number obtained by multiplying the total number of directors of the Company by Nippon Steel's voting ratio (rounded to the nearest whole number at the first decimal place if a fraction occurs, or one (1) if less than one), while the Tender Offeror for Shares of the Company shall have the right to nominate the remaining directors.

With respect to the vessels owned or operated by the Company Group, the Tender Offeror for Shares of the Company and the Company assume that, even after the Transactions, the quality and safety of the transportation services previously provided by the Company Group will be maintained, and the continuous provision of stable services will be maintained. Furthermore, the Tender Offeror for Shares of the Company and the Company believe that maintaining and developing the value of the "U" brand, which is based on the security and trust cultivated by the Company, will contribute to the further enhancement of the corporate value of the Company Group.

Note that, as the management policy of the Company after the completion of the Transactions, the Tender Offeror for Shares of the Company assumes conducting operations based on the human resources, expertise, and organizational strengths supporting the business operations of the Company Group. Furthermore, as a general rule, it is assumed that current employment conditions for employees of the Company Group will be maintained even after the Transactions, and no substantial reduction in the treatment or employment conditions of employees specified under the current employment rules, Article 36 agreements, etc., is assumed. In addition, under the Tender Offeror Group's corporate governance framework, the policy is to aim for mid- to long-term enhancement of the corporate value of the Tender Offeror Group and the Company Group through the utilization of both parties' human resources bases, while respecting the autonomous management of the Company Group.

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

As described in "(A) Background, Purpose and Decision-Making Process Leading to the Decision by the Tender Offeror for Shares of the Company to Conduct Dual Tender Offers" above, the Company received the Letter of Intent from the Tender Offeror for Shares of the Company on January 30, 2026. In response, in order to ensure the fairness of the Tender Offer Price for Shares of the Company 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 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 for Shares of the Company 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 "(5) 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 for Shares of the Company from a standpoint independent of the Tender Offeror Group, the Company 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 for Shares of the Company and their duties) and has proceeded with its consideration.

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

Specifically, on June 29, 2026, the Company and the Special Committee received from the Tender Offeror for Shares of the Company the first proposal regarding the Transactions, including proposals to the effect that (i) the Tender Offer Price for Shares of the Company be set at JPY 8,000 (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) as of the time of such proposal, the Tender Offer Price for Share Repurchase is undetermined; and (iii) the minimum number of shares to be purchased be set to the number of shares obtained by multiplying one unit of the Company Shares (100 shares) by the number of voting rights calculated by subtracting the number of voting rights pertaining to the Company Shares owned by the Tender Offeror for Shares of the Company and the number of voting rights pertaining to the Company Shares owned by Nippon Steel from two-thirds of the number of voting rights pertaining to the total number of issued shares of the Company after deducting the number of treasury shares owned by the Company. Upon receiving this proposal, the Company and the Special Committee conducted a comprehensive examination regarding the Tender Offer Price for Shares of the Company, taking into account (a) the results of the analysis of the value of the Company Shares using the DCF Analysis by Mizuho Securities and

Plutus (including examination regarding the reflection of gains on vessel sales, unrealized gains and asset values of existing vessels, and inherent value in the vessel portfolio in the share value) and whether Plutus would be able to issue a fairness opinion; (b) historical market share price trends of the Company Shares; (c) comparison with the liquidation value" (including examination regarding the feasibility of the Company's dissolution and liquidation); (d) premium levels in precedent transaction cases similar to the Transactions (specifically, successful tender offer cases aimed at taking listed companies that are equity-method affiliates private, announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and May 18, 2026); and (e) synergy effects expected to be realized through the execution of the Transactions. As a result, the Company and the Special Committee considered that the terms of the proposal could not be said to be fair to the general shareholders of the Company, and on July 7, 2026, requested the Tender Offeror for Shares of the Company to reconsider the proposal, including the Tender Offer Price for Shares of the Company. Regarding the necessity of setting a minimum number of shares to be purchased that satisfies the MoM level (note that MoM here refers to the benchmark number of shares exceeding the number corresponding to a majority (5,689,742 shares) of 11,379,482 shares, which is calculated by subtracting the number of Company Shares held by the Tender Offeror for Shares of the Company as of today (4,324,725 shares) and the number of Company Shares held by Nippon Steel as of today (7,861,280 shares) from the Benchmark Shares (23,565,487 shares)), the Company added that it considered a comprehensive examination and judgment necessary in light of (a) through (e) above, and at that point could not determine that MoM was unnecessary.

Thereafter, on July 10, 2026, the Company and the Special Committee received from the Tender Offeror for Shares of the Company the second proposal proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 6,289, and that the minimum number of shares to be purchased remain unchanged from the first proposal. Upon receiving this proposal, the Company and the Special Committee conducted a comprehensive examination of the proposal in light of (a) through (e) above, and as a result, considered that under such proposal, the Transactions could not be said to be fair to the general shareholders of the Company; on July 16, 2026, they requested the Tender Offeror for Shares of the Company to reconsider the proposal, including the Tender Offer Price for Shares of the Company, and added that regarding the minimum number of shares to be purchased, they could not determine at that point that MoM was unnecessary.

Thereafter, on July 17, 2026, the Company and the Special Committee received from the Tender Offeror for Shares of the Company the third proposal proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 6,774, and that the minimum number of shares to be purchased remain unchanged from the first proposal. Upon receiving this proposal, the Company and the Special Committee conducted a comprehensive examination of the proposal in light of (a) through (e) above, and as a result, considered that under such proposal, the Transactions could not be said to be fair to the general shareholders of the Company; on July 21, 2026, they requested the Tender Offeror for Shares of the Company to reconsider the proposal, including the Tender Offer Price for Shares of the Company, and added that regarding the minimum number of shares to be purchased, they could not determine at that point that MoM was unnecessary.

Thereafter, on the same day, the Company and the Special Committee received from the Tender Offeror for Shares of the Company the fourth proposal stating that further price increases were in an extremely difficult situation, and proposing as a final proposal that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 7,190, and that the minimum number of shares to be purchased remain unchanged from the first proposal. Upon receiving this proposal, the Company and the Special Committee conducted a comprehensive examination of the proposal in light of (a) through (e) above, and as a result, considered that while the proposal could be positively evaluated to a certain extent, (i) they considered that a comprehensive examination regarding MoM was necessary and could not determine at that point that it was unnecessary, and (ii) matters to be confirmed remained in order to examine and determine whether the Transactions could be said to be fair to general shareholders; on July 23, 2026, they requested the Tender Offeror for Shares of the Company to reconsider the proposal, including the Tender Offer Price for Shares of the Company.

Thereafter, on July 25, 2026, the Company and the Special Committee received from the Tender Offeror for Shares of the Company the fifth proposal stating that further price increases were in an extremely difficult situation, and proposing as a final proposal, on the premise of not setting MoM for the minimum number of shares to be purchased, that the Tender Offer Price for Shares of the Company be set at 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 proposal date) and that the Tender Offer Price for Share Repurchase be set at JPY 7,676. Upon receiving this proposal, the Company and the Special Committee conducted a comprehensive examination of the proposal in light of (a) through (e) above, and as a result, responded to the Tender Offeror for Shares of the Company on July 28, 2026, stating that the Special Committee plans to submit a report to the Company's board of directors dated July 30, 2026, to the effect that conducting the Transactions is considered fair to the general shareholders of the Company, and that the Company's board of directors plans to resolve to express its opinion at the meeting of the Company's board of directors on July 31, 2026, giving maximum respect to the contents of the Special Committee's report.

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 Month Day, 2026 (the "Special Committee Share Valuation Report (Plutus)"), 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 Year 2018 to Fiscal Year 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 for Shares of the Company'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 provide 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 is actively promoting 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 is steadily implementing 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 Tender Offeror for Shares of the Company 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 Tender Offeror for Shares of 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 for Shares of the Company 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 able to promote investment in next-generation vessels more efficiently and reliably.

(c) Strengthening logistics infrastructure and next-generation marine transportation

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 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) Promotion of optimal assignment of personnel including overseas locations and securing of personnel for growth through mutual utilization of human resources

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, it is expected that by utilizing the human resources bases, including the crews of both companies 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, it is believed that improvement in skills and operational efficiency of personnel of both companies can be pursued.

Note that, with respect to the disadvantages of taking the Company Shares private, as a result of discussions between the Tender Offeror for Shares of the Company and the Company, we recognize them as follows.

That is, generally, disadvantages of delisting include the inability to raise funds from capital markets and the inability to enjoy the benefits of being a listed company, such as obtaining social credibility and maintaining public recognition from the outside. However, with respect to each item, we believe that the possibility of such disadvantages arising as a result of the execution of the Transactions is low, and their impact will be limited, for the following reasons.

① Employees (recruitment, employee motivation, etc.)

Because the Company has accumulated high social credibility and public recognition through its past business operations, and the Tender Offeror for Shares of the Company and Nippon Steel, which will become shareholders after taking the shares private, both have a reasonably high level of public recognition and creditworthiness, we believe that the Company's social credibility and public recognition will not be lost as a result of delisting. Rather, we consider that it will be possible to pursue further strengthening of recruitment capabilities and improvement of employee motivation by having the Company and the Tender Offeror for Shares of the Company work as one through the Transactions to maintain and improve competitiveness both domestically and overseas.

② Business partners

As a prerequisite, with respect to Nippon Steel, an important customer of the Company, we have confirmed its intention to maintain a certain level of capital ties with the Company and to maintain its business relationships and communication with the Company going forward. On that basis, with respect to business partners other than Nippon Steel as well, the Company has already established sufficient relationships of trust, and the reason each business partner conducts business with the Company is considered to be that the Company's services, creditworthiness, track record, etc., are highly evaluated rather than the fact that it is a listed company; therefore, we believe that existing business relationships will not be lost due to delisting. Rather, we consider that further expansion of business partners and scale will be possible by having the Company and the Tender Offeror for Shares of the Company work as one through the Transactions to maintain and improve competitiveness both domestically and overseas. In addition, even when viewed from the outside, while the Company already has certain capital ties with the Tender Offeror for Shares of the Company and Nippon Steel, because the Transactions are part of an initiative to further strengthen collaboration among the three parties, we believe that any surprise from an external perspective will also be reduced to a certain extent.

③ Financing In terms of financing, although equity financing through public offerings or other direct financing will become unavailable, the Company possesses appropriate liquidity on hand, and indirect financing such as borrowings leveraging relationships of trust with existing financial institutions is expected to remain available; therefore, we believe this will not constitute a material disadvantage. Note that even after the Transactions, as a general rule, funds necessary for business operations at the Company are assumed to be raised by the Company itself; therefore, we expect to maintain favorable relationships with the Company's existing financial institutions. Furthermore, depending on the Company's needs, we assume that it will also be possible to utilize the Tender Offeror Group's corporate financing system 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 for Shares of the Company is appropriate and provides a reasonable opportunity for the Company's shareholders to sell their shares.

(i) According to the valuation results of the value of the Company Shares in the share value valuation report for the Company by Mizuho Securities (Mizuho Securities) set forth in "(2) Obtainment by the Company of Share Valuation Report from Independent Third-Party Valuation Institution" under "(5) Measures to Ensure the Fairness of the Dual Tender Offers" below, the Tender Offer Price for Shares of the Company exceeds the upper limit of the valuation results under the market share price method, is within the range of the valuation results under the DCF Analysis, and exceeds the median thereof.

(ii) According to the valuation results of the value of the Company Shares in the Special Committee share value valuation report by Plutus (Plutus) set forth in "(3) Obtainment by Special Committee of Share Valuation Report and Fairness Opinion from Independent Third-Party Valuation Institution" under "(5) Measures to Ensure the Fairness of the Dual Tender Offers" below, the Tender Offer Price for Shares of the Company exceeds the upper limit of the valuation results under the market share price method and is within the range of the valuation results under the DCF Analysis , and in the Fairness Opinion set forth in "(3) Obtainment by Special Committee of Share Valuation Report and Fairness Opinion from Independent Third-Party Valuation Institution" under "(5) Measures to Ensure the Fairness of the Dual Tender Offers" below, an opinion is stated that JPY 10,600, which is the Tender Offer Price for Shares of the Company, is fair to the general shareholders of the Company from a financial perspective in light of the valuation results of the value of the Company Shares, etc..

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

(iv) As a result of examining the liquidation value in light of the presence of unrealized gains on vessel assets held by the Company, (a) the Company plans to continue its business activities within the Tender Offeror Group after the Transactions, and liquidation or dissolution of the Company is not assumed; furthermore, the Company has confirmed multiple times with the Tender Offeror for Shares of the Company that it has no intention to dissolve or liquidate the Company after the Transactions, and under the Shareholders' Agreement, dissolution or liquidation of the Company is subject to the consent of Nippon Steel, meaning that the Tender Offeror for Shares of the Company cannot resolve to dissolve or liquidate the Company acting alone, so the possibility of realizing the liquidation value per share is considered low; and in addition, (b) for the sole purpose of examining the appropriateness of the terms of the Transactions, when the Company performed a trial calculation of the liquidation value using multiple assumptions, the resulting trial calculation showed that the liquidation value per share fell below the Tender Offer Price for Shares of the Company.

(v) The Tender Offer Price for Shares of the Company is a price that adds the following premiums to the closing price and the simple average of closing prices for past periods of the Company Shares on the Prime Market of the TSE as of July 30, 2026, the business day immediately preceding the announcement date of the implementation of the Tender Offer for Shares of the Company; with respect to the level of such premiums, in comparison with the average values and medians (Note 1) of 48.43% to 58.45% of premium levels in similar precedent cases involving other companies (specifically, among tender offer cases announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and May 18, 2026, 26 successful cases aimed at taking listed companies that are equity-method affiliates private), while the premium rate over the closing price on such record date and the simple average of closing prices for the most recent three months and six months up to such record date are below the premium level of similar precedent cases, the premium rate over the simple average of closing prices for the most recent one month up to such record date is within the range of the premium level of similar precedent cases; furthermore, in comparison with the level of the first quartile (Note 1) of 36.05% to 44.27%, the premium rates over the closing price on such record date and the simple average of closing prices for the most recent six months up to such record date are within the range of the premium level of similar precedent cases, and the premium rates over the simple average of closing prices for the most recent one month and three months up to such record date exceed the premium level of similar precedent cases, and therefore, the premium level is considered comparable to similar precedent cases.

（Evaluation Record Date: July 30, 2026）

	Closing Price on Record Date	Simple Average of Closing Prices		
		Past 1 Month	Past 3 Months	Past 6 Months
Market Share 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 values of the premium levels for the 26 cases are as follows:

	Business Day Immediately Preceding Announcement Date	Up to Business Day Immediately Preceding Announcement Date		
		Past 1 Month	Past 3 Months	Past 6 Months
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 for Shares of the Company is a price that adds premiums of 130.59%, 108.83%, and 63.99%, respectively, to the simple average of 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 market classifications on the TSE in April 2022) for the past five years, past three years, and past one year.

(vii) Nippon Steel, the largest shareholder of the Company, has executed the Shareholders' Agreement and the Basic Agreement with the Tender Offeror for Shares of the Company and plans to continue holding the Company Shares after the Transactions; therefore, its interests may not necessarily align with those of general shareholders. However, since Nippon Steel is considered to be an independent party from the Tender Offeror for Shares of the Company, negotiations between Nippon Steel and the Tender Offeror for Shares of the Company are expected to be arm's-length negotiations. Furthermore, because the Tender Offer Price for Share Repurchase is set so that Nippon Steel's after-tax net proceeds per share will be equal whether Nippon Steel tenders in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company or tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase, Nippon Steel is not considered to gain a significantly larger benefit compared to general shareholders. The fact that Nippon Steel, having such a relationship, has expressed its intention to tender a portion of the Company Shares it holds (4,720,438 shares, ownership ratio: 20.03%) in the Tender Offer for Share Repurchase can be considered one of the factors supporting the fairness of the Tender Offer Price for Shares of the Company.

(viii) The Tender Offer Price for Shares of the Company is a price decided after the Company and the Special Committee engaged in discussions and negotiations with the Tender Offeror through Mizuho Securities, while taking into account the analysis results of the value of the Company Shares by Mizuho Securities and Plutus as well as legal advice received from TKI, whereby the Tender Offeror for Shares of the Company raised the price to a level at which it asserted multiple times that a further increase in the Tender Offer Price for Shares of the Company would be extremely difficult.

In addition, the Company also examined the scheme of the Transactions and determined that the fairness and appropriateness of the scheme of the Transactions are ensured based on points (i) through (iii) below, among other factors.

(i) While there is a limit to the total purchase amount of the Tender Offeror for Shares of the Company, setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price for Shares of the Company enables the Company to provide its general shareholders with an opportunity to sell their shares at a higher price through the Tender Offer for Shares of the Company, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer for Shares of the Company, which is considered to serve the interests of the general shareholders of the Company;

(ii) Regarding the Tender Offer Price for Share Repurchase, taking into account that corporate shareholders of the Company are expected to be subject to the dividends received deduction provisions on deemed dividends under the Corporation Tax Act in the Tender Offer for Share Repurchase, the Company has confirmed that the price is set at an amount such that the per-share after-tax proceeds for Nippon Steel, which is scheduled to tender in the Tender Offer for Share Repurchase, if it tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase, would be equivalent to the per-share after-tax proceeds if Nippon Steel were to tender in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company, and that the per-share after-tax proceeds for Nippon Steel if it tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would not exceed the per-share after-tax proceeds if Nippon Steel were to tender in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company, meaning that Nippon Steel is not considered to gain an advantage compared to the general shareholders of the Company; and

(iii) The Company assumes that funds required for settlement, etc. pertaining to the Tender Offer for Share Repurchase will be covered mainly by the Company's own funds, as well as intra-group financing and borrowings from external financial institutions as necessary, and no particular doubts are recognized regarding the feasibility of the Tender Offer for Share Repurchase from the perspective of securing such funds, nor is it recognized that the Tender Offer for Share Repurchase will cause a deterioration in financial condition that 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 for Shares of the Company, 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 for Shares of the Company, 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 its opinion in support of the Tender Offer for Shares of the Company and to recommend that the Company's shareholders tender their shares in the Tender Offer for Shares of the Company.

In addition, the Tender Offer for Shares of the Company is scheduled to be commenced promptly upon the satisfaction or waiver by the Tender Offeror for Shares of the Company of the Conditions Precedent. As of today, although it is difficult for the Tender Offeror for Shares of the Company to precisely predict the period required for procedures at the authorities with jurisdiction over the clearance procedures, the Tender Offeror for Shares of the Company intends to aim to commence the Tender Offer for Shares of the Company 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 for Shares of the Company, 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 for Shares of the Company again at the time the Tender Offer for Shares of the Company is commenced, based on such opinion of the Special Committee.

In addition to the above resolution, the Company has resolved at its Board of Directors meeting held today that, subject to the successful completion of the Tender Offer by the Tender Offeror, etc., as the second step of the Transaction following the implementation of the Tender Offer by the Tender Offeror, the Company plans to conduct an acquisition of its own shares and, as a specific method for such acquisition, conduct a share repurchase for the purpose of acquiring the Shares Subject to the share repurchase to be Tendered held by Nippon Steel, pursuant to the provisions of the Company's Articles of Incorporation under Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the same Act.

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 "(5) Measures to Ensure the Fairness of Dual Tender Offers" below.

(3) Determination of the Tender Offer Price for Share Repurchase

The Tender Offeror for Shares of the Company determined that, from the perspective of maintaining Nippon Steel's interest in the management and business performance of the Company above a certain level and establishing a cooperative relationship that contributes to the improvement of the Company's business performance, 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 Ratios of Nippon Steel in the Company after the Squeeze-Out Procedures at approximately 15% to 20%, and submitted the Letter of Intent to the Company on January 30, 2026.

In addition, after submitting the Letter of Intent to the Company, the Tender Offeror for Shares of the Company engaged in discussions with Nippon Steel from early February to early July 2026 regarding the scheme of the Transactions. It is said that the Tender Offeror for Shares of the Company and Nippon Steel initially discussed a scheme of executing a negotiated share repurchase from Nippon Steel after taking the Company Shares private, on the grounds that setting the price for share repurchase lower than the Tender Offer Price for Shares of the Company would make it possible to provide the general shareholders of the Company with an opportunity to sell their shares at a higher price through the Tender Offer for Shares of the Company, compared to the case where

Nippon Steel tenders in the Tender Offer for Shares of the Company, which would serve the interests of the general shareholders of the Company; however, taking into account that, in the event that the Tender Offer for Share Repurchase is not conducted in the Transactions, and a negotiated share repurchase from Nippon Steel is executed after privatization, depending on the number of shares tendered in the Tender Offer for Shares of the Company and the ratio of the subsequent share consolidation, the applicable ratio under the dividends received income deduction system under the Corporation Tax Act for Nippon Steel, as the counterparty to such share repurchase, may decrease accordingly, they also engaged in discussions regarding a scheme in which the Company conducts a tender offer for share repurchase after the successful completion of the Tender Offer for Shares of the Company for the purpose of acquiring the Shares to Be Tendered for Share Repurchase. In considering the scheme of the Transactions, the Tender Offeror for Shares of the Company determined that the scheme of conducting the Tender Offer for Share Repurchase by the Company in addition to the Tender Offer for Shares of the Company targeting the Company Shares by the Tender Offeror for Shares of the Company, with a difference between the Tender Offer Price for Shares of the Company and the Tender Offer Price for Share Repurchase, is reasonable because: (i) by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price for Shares of the Company, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer for Shares of the Company, 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 for Shares of the Company, which serves the interests of general shareholders of the Company; and (ii) in the event that the Tender Offer for Share Repurchase is not conducted in the Transactions, and a negotiated share repurchase from Nippon Steel is executed after privatization, as mentioned above, depending on the number of shares tendered in the Tender Offer for Shares of the Company and the ratio of the subsequent share consolidation, the applicable ratio under the dividends received income deduction system under the Corporation Tax Act for Nippon Steel, as the counterparty to such share repurchase, may decrease accordingly, and conducting the Tender Offer for Share Repurchase allows the price for the Company's acquisition of its own shares held by Nippon Steel to be set lower, and as a result, enables general shareholders of the Company to be provided with an opportunity to sell their shares at an even higher price through the Tender Offer for Shares of the Company. The Tender Offeror for Shares of the Company therefore examined the adoption of a structure in which the Tender Offer for Shares of the Company and the Tender Offer for Share Repurchase are conducted together.

On that basis, the Tender Offeror for Shares of the Company engaged in repeated discussions and negotiations with the Company regarding the terms and conditions of the Transactions, including the Tender Offer Price for Shares of the Company, and on June 29, 2026, after comprehensively taking into account the information obtained through the due diligence conducted by the Tender Offeror for Shares of the Company on 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 advisor to the Tender Offeror for Shares of the Company, and other factors, submitted to the Company and the Special Committee a proposal letter (the "First Proposal Letter") stating that (i) it intends to adopt a structure in which the Tender Offer for Shares of the Company and the Tender Offer for Share Repurchase will be implemented together, (ii) the Tender Offer Price for Shares of the Company will be JPY 8,000 (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), (iii) the Tender Offer Price for Share Repurchase is undetermined as of the time of submission of the First Proposal Letter, and (iv) the minimum number of shares to be purchased will be set to the number of shares obtained by multiplying one unit of the Company Shares (100 shares) by the number of voting rights calculated by subtracting the number of voting rights pertaining to the Company Shares owned by the Tender Offeror for Shares of the Company and the number of voting rights pertaining to the Company Shares owned by Nippon Steel from two-thirds of the number of voting rights pertaining to the total number of issued shares of the Company after deducting the number of treasury shares owned by the Company. In response, on July 7, 2026, the Tender Offeror for Shares of the Company received a response from the Company and the Special Committee stating that, as a result of a comprehensive examination taking into account (a) the results of the analysis of the value of the Company Shares using the DCF Method by the third-party valuation institution of the Company and the third-party valuation institution of the Special Committee (including examination regarding the reflection of gains on vessel sales, unrealized gains and asset values of existing vessels, and inherent value in the vessel portfolio in the share value) and whether a fairness opinion would be issued by the third-party institution of the Special Committee, (b) historical market share price trends of the Company Shares, (c) comparison with the Liquidation Value (including examination regarding the feasibility of the Company's dissolution and liquidation), (d) premium levels in precedent transaction cases similar to the Transactions (specifically, successful tender offer cases aimed at taking listed companies that are equity-method affiliates private, announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and May 18, 2026), and (e) synergy effects expected to be realized through the execution of the Transactions, they requested a reconsideration of the terms of the proposal including the Tender Offer Price for Shares of the Company in the First Proposal Letter, and added that regarding the necessity of setting a minimum number of shares to be purchased that satisfies the so-called MoM level (note that MoM here refers to the benchmark number of shares exceeding the number corresponding to a majority (5,689,742 shares) of 11,379,482 shares, which is calculated by subtracting the number of Company Shares owned by the Tender Offeror for Shares of the Company as of today (4,324,725 shares) and the number of Company Shares owned by Nippon Steel as of today (7,861,280 shares) from the Benchmark Shares (23,565,487 shares)), they could not determine at that point that MoM was unnecessary.

In response to such response, on July 10, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the "Second Proposal Letter") proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 6,289, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 16, 2026, the Tender Offeror for Shares of the Company received from the Company and the Special Committee a written response requesting a reconsideration of the terms of the proposal, on the grounds that as a result of a comprehensive examination in light of (a) through (e) above, the Tender Offer Price for Shares of the Company set forth in the Second Proposal Letter could not be said to be fair to the general shareholders of the Company, together with a statement to the effect that regarding the minimum number of shares to be purchased, they could not determine at that point that MoM was unnecessary.

In response to such response, on July 17, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the "Third Proposal Letter") proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 6,774, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 21, 2026, the Tender Offeror for Shares of the Company received from the Company and the Special Committee a written response requesting a reconsideration, on the grounds that as a result of a comprehensive examination in light of (a) through (e) above, the Tender Offer Price for Shares of the Company set forth in the Third Proposal Letter could not be said to be fair to the general shareholders of the Company, together with a statement to the effect that regarding the minimum number of shares to be purchased, they could not determine at that point that MoM was unnecessary.

In response to such response, on the same day, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the "Fourth Proposal Letter") stating that a further price increase would be extremely difficult and, as a final proposal, proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 7,190, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 23, 2026, the Tender Offeror for Shares of the Company received a written response from the Company and the Special Committee stating that, while they believed that the Tender Offer Price for Shares of the Company set forth in the Fourth Proposal Letter could be evaluated to a certain extent as a result of a comprehensive examination in light of (a) through (e) above, they requested a reconsideration of the Tender Offer Price for Shares of the Company and a response regarding the status of discussions with Nippon Steel concerning the Tender Offer Price for Share Repurchase, on the grounds that (i) regarding MoM, they believed a comprehensive examination was necessary and could not determine at that point that MoM was unnecessary, and (ii) there remained matters to be confirmed in order to examine and determine whether the Transactions could be said to be fair to the general shareholders.

Meanwhile, the Tender Offeror for Shares of the Company, proceeding in parallel with discussions with Nippon Steel regarding the Tender Offer Price for Share Repurchase, proposed to Nippon Steel on July 24, 2026 that the Tender Offer Price for Shares of the Company be set at JPY 10,600 and that the Tender Offer Price for Share Repurchase be set at JPY 7,676, and on the same day, received notice from Nippon Steel that it would accept such proposal, on the condition that the Transactions be approved at the management committee meeting of Nippon Steel to be held on July 29, 2026.

Based on the foregoing, on July 25, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a written response (the "Final Proposal Letter") stating that a further price increase would be extremely difficult and, as a final proposal, on the premise of not setting MoM for the minimum number of shares to be purchased, proposing that the Tender Offer Price for Shares of the Company be set at 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 proposal date) and that the Tender Offer Price for Share Repurchase be set at JPY 7,676, while responding that such Tender Offer Price for Shares of the Company and Tender Offer Price for Share Repurchase are prices that have also been agreed to by Nippon Steel, subject to the approval of the Transactions at the management committee meeting of Nippon Steel to be held on July 29, 2026.

In response thereto, on July 28, 2026, the Tender Offeror for Shares of the Company received a letter (the "Response Letter Dated July 28") from the Company and the Special Committee stating that, as a result of a comprehensive examination in light of (a) through (e) above, upon receipt of the Final Proposal Letter, the Special Committee plans to submit a report to the Company's board of directors as of July 30, 2026 stating that the execution of the Transactions is considered fair to the general shareholders of the Company, and that the Company's board of directors, respecting the contents of the Special Committee's report to the maximum extent, plans to resolve to express its opinion at the meeting of its board of directors on July 31, 2026.

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

Thereafter, on July 30, 2026, the Tender Offeror for Shares of the Company was notified by the Company and the Special Committee that, in light of stock market trends as of that date, they confirmed that there was no change in the content of the opinion stated in the Response Letter Dated July 28, and that the Special Committee plans to submit a report to the Company's board of directors as of July 31, 2026 stating that the execution of the Transactions is considered fair to the general shareholders of the Company.

Following the above negotiations, on July 31, 2026, the Tender Offeror for Shares of the Company decided to implement the Transactions with the Tender Offer Price for Shares of the Company set at JPY 10,600 and the Tender Offer Price for Share Repurchase set at JPY 7,676. Note that the Tender Offer Price for Shares of the Company and the Tender Offer Price for Share Repurchase are prices on the premise 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 in the event that Nippon Steel tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will be equal to (ii) the after-tax net proceeds per share in the event that Nippon Steel were to tender in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company.

For details on the determination of the Tender Offer Price for Share Repurchase, please see "(i) Basis of Valuation" and "(ii) Background of Valuation" under "(3) Basis for Calculation of Purchase Price, etc." of "3. Overview of Purchase, etc." below.

(4) Material Agreements Relating to the Dual Tender Offers

(A) Basic Agreement

The Tender Offeror for Shares of the Company and Nippon Steel have, as of July 31, 2026, executed the Basic Agreement with respect to the Transactions, and have agreed that: (i) Nippon Steel will not tender all of its Company Shares (7,861,280 shares, ownership ratio: 33.36%) in the Tender Offer for Shares of the Company; (ii) with respect to the Shares to Be Tendered for Share Repurchase held by Nippon Steel, Nippon Steel will tender such shares in the Tender Offer for Share Repurchase, and Nippon Steel will not tender the Shares Not to Be Tendered for Share Repurchase (3,140,842 shares, ownership ratio: 13.33%) in the Tender Offer for Share Repurchase; (iii) in the event the Tender Offeror for Shares of the Company is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror for Shares of the Company and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company will, after the successful completion of the Tender Offer for Shares of the Company, request the Company to hold the Extraordinary Shareholders' Meeting; and (iv) Nippon Steel will vote in favor of a proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting.

More specifically, under the Basic Agreement, the Tender Offeror for Shares of the Company and Nippon Steel have agreed to the following terms:

(i) Nippon Steel will not tender all of its Company Shares in the Tender Offer for Shares of the Company;

(ii) Upon successful completion of the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company will request the Company to commence the Tender Offer for Share Repurchase in accordance with the provisions of the Tender Offer Agreement as promptly as is reasonably practicable;

(iii) If the Tender Offer for Share Repurchase is commenced, subject to the conditions that (i) all procedures necessary for the commencement of the Tender Offer for Share Repurchase have been taken in accordance with the Financial Instruments and Exchange Act and other applicable laws and regulations, and the Tender Offer for Share Repurchase has been lawfully commenced pursuant to the provisions of the Basic Agreement and has not been withdrawn thereafter, (ii) there is no decision, etc. by any judicial or administrative authority, etc. that restricts or prohibits the Tender Offer for Share Repurchase, (iii) Nippon Steel's tendering of shares in the Tender Offer for Share Repurchase does not violate laws and regulations, etc., and (iv) the Tender Offer for Shares of the Company has been successfully completed and its settlement has been completed in accordance with the Basic Agreement, Nippon Steel will tender all of the Shares to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase within a practically reasonable period, and will not thereafter withdraw such tender, nor terminate the agreement pertaining to the Shares to Be Tendered for Share Repurchase established as a result of such tender, and will not tender any of the Shares Not to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase. Nippon Steel may, at its sole discretion, waive any of such conditions and perform the above obligations.

(iv) Subject to the successful completion of the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company and Nippon Steel will cooperate with each other to implement the Squeeze-Out Procedures. After the successful completion of the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company will, as soon as practicable, request the Company to hold the Extraordinary Shareholders' Meeting as part of the Squeeze-Out Procedures; and Nippon Steel, as a shareholder of the Company, will vote in favor of the proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting by exercising the voting rights attached to the Company Shares held by Nippon Steel.

(v) The Tender Offeror for Shares of the Company will, promptly after the execution of the Basic Agreement, use reasonable efforts to lawfully complete the filings required under competition laws and regulations and other procedures with judicial and administrative authorities, etc. (the "Regulatory Compliance Procedures") necessary for the execution of the Transactions, and will use reasonable efforts to ensure that the Clearance is obtained in connection with the Regulatory Compliance Procedures. With regard to the Tender Offeror for Shares of the Company's actions to complete the Regulatory Compliance Procedures and obtain the Clearance, Nippon Steel will, either directly or through its subsidiaries, provide or cause to be provided the information reasonably requested by the Tender Offeror for Shares of the Company and provide other cooperation within a reasonable and appropriate timeframe and in a reasonable and appropriate manner.

(vi) From the date of execution of the Basic Agreement through the effective date of the Share Consolidation, Nippon Steel will not, except as otherwise expressly provided in the Basic Agreement, transfer, pledge, or otherwise dispose of all or any part of the Company Shares held by Nippon Steel (including, but not limited to, tendering such shares in a tender offer other than the Tender Offer for Shares of the Company and the Tender Offer for Share Repurchase), nor will it acquire any Company Shares or rights relating to the Company.

(vii) From the date of execution of the Basic Agreement through the effective date of the Share Consolidation, Nippon Steel shall not, directly or indirectly, by itself or through any other person, take any action with any person other than the Tender Offeror for Shares of the Company in any act (including, but not limited to, agreements with third parties, offers to enter into agreements, solicitations of offers, acceptances, consultations, negotiations, solicitations, or provision of information) that compete with, conflict with, or are inconsistent with the Tender Offer for Shares of the Company, the Tender Offer for Share Repurchase, or any other transactions contemplated by the Basic Agreement, or that are likely to do so, and, if Nippon Steel receives any solicitation, proposal, provision of information, or offer regarding such conduct from a third party other than the Tender Offeror for Shares of the Company, it shall immediately notify the Tender Offeror for Shares of the Company of that fact and the details thereof, and shall consult in good faith with the Tender Offeror for Shares of the Company regarding how to respond to such third party.

(viii) From the date of execution of the Basic Agreement through the effective date of the Share Consolidation, Nippon Steel shall not, except as expressly provided in the Basic Agreement, exercise the right to request the calling of a general meeting of shareholders of the Company (Article 297 of the Companies Act) or the shareholders' right to propose (Articles 303 through 305 of the Companies Act) without the prior written consent of the Tender Offeror for Shares of the Company.

(ix) Except as expressly provided in the Basic Agreement, where it is entitled to exercise voting rights at a shareholders' meeting of the Company held between the date of execution of the Basic Agreement through the effective date of the Share Consolidation, in the event that the following proposals are submitted: (i) a proposal concerning the distribution or other disposition of surplus funds; (ii) a proposal relating to a shareholder proposal that could hinder implementation of the Transactions; or (iii) a proposal that, if approved, would have, or could reasonably be expected to have, a material impact on the Company's financial condition, operating results, cash flows, business, assets, liabilities, or future earnings plans or outlook, Nippon Steel will exercise its voting rights at the relevant shareholders' meeting attached to the Company Shares held by Nippon Steel to vote against the relevant proposal.

(x) In the event that, pursuant to the Basic Agreement, Nippon Steel tenders the Company Shares held by Nippon Steel in the Tender Offer for Share Repurchase, and the Tender Offer for Share Repurchase is successfully completed, if a shareholders' meeting of the Company, for which the record date for exercising rights is set prior to the settlement commencement date 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 Share Repurchase in accordance with the Tender Offeror for Shares of the Company's instructions and, to the extent reasonable, take such measures (if any) as are necessary to ensure that the Tender Offeror for Shares of the Company's intentions are appropriately reflected.

(xi) From the date of execution of the Basic Agreement through the effective date of the Share Consolidation, the Tender Offeror for Shares of the Company shall not exercise any shareholder rights or engage in any other acts that conflict with or are inconsistent with the purpose and intent of the Transactions, the Basic Agreement, or the Shareholders' Agreement (including accepting a proposal by a third party other than the Tender Offeror for Shares of the Company for the acquisition of all or part of the Company Shares).

In addition, the Basic Agreement stipulates the following as grounds for termination: (a) if the Tender Offeror for Shares of the Company withdraws the Tender Offer for Shares of the Company in accordance with laws and regulations; (b) if the total number of shares tendered in connection with the Tender Offer for Shares of the Company is less than the minimum number of shares to be purchased; and (c) if Nippon Steel and the Tender Offeror for Shares of the Company agree in writing to terminate the Basic Agreement.

Furthermore, the Basic Agreement stipulates that the following shall constitute grounds for cancellation: (a) a material breach by the other party (referring to Nippon Steel for the Tender Offeror for Shares of the Company and the Tender Offeror for Shares of the Company for Nippon Steel; the same shall apply hereinafter in this Item 1 to references to the "other party") of its obligations under the Basic Agreement; (b) a material breach by the other party of its representations and warranties (Note 2); (c) the filing of a petition for the commencement of insolvency proceedings or similar proceedings against the other party; and (d) if the Tender Offer for Shares of the Company is not commenced by December 31, 2027, for reasons not attributable to the relevant party.

Note 1: Under the Basic Agreement, the Tender Offeror for Shares of the Company makes representations and warranties to Nippon Steel regarding: (a) capacity and authority, etc.; (b) execution and performance of agreement; (c) enforceability; (d) obtaining of permits and approvals, etc.; (e) non-conflict with laws and regulations, etc.; (f) non-existence of insolvency proceedings, etc.; (g) non-existence of transactions with anti-social forces; and (h) necessary funds for the Transactions. In addition, Nippon Steel makes representations and warranties to the Tender Offeror for Shares of the Company regarding: (a) capacity and authority, etc.; (b) execution and performance of agreement; (c) enforceability; (d) obtaining of permits and approvals, etc.; (e) non-conflict with laws and regulations, etc.; (f) non-existence of insolvency proceedings, etc.; (g) non-existence, etc. of transactions with anti-social forces, etc.; and (h) holding, etc. of shares.

(B) Tender Offer Agreement

The Company has entered into the Tender Offer Agreement with the Tender Offeror for Shares of the Company as of July 31, 2026, which includes the following details regarding the execution of the Transactions.

(i) The Company shall express its opinion in favor of the Tender Offer for Shares of the Company at the meeting of its board of directors on the date of execution of the Tender Offer Agreement. In addition, the Company shall maintain its opinion in favor and shall not pass any resolution of the board of directors to withdraw or modify such opinion during the period from the date of execution of the Tender Offer Agreement until the expiration of the tender offer period. However, if, by the expiration of the tender offer period, a person other than the Tender Offeror for Shares of the Company (i) commences a tender offer that substantially competes with, contradicts, or conflicts with, or is likely to compete with, contradict, or conflict with, the Transactions (meaning a tender offer aimed at taking the Company private, without setting a maximum number of shares to be purchased, and setting a minimum number of shares to be purchased such that, if successful, it will reliably achieve taking the Company private; provided that the amount of consideration delivered to shareholders must exceed the Tender Offer Price for Shares of the Company; hereinafter referred to as a "Qualified Competing Tender Offer"), or (ii) the Company receives a proposal containing specific, feasible, and bona fide terms and conditions regarding a Qualified Competing Tender Offer (hereinafter referred to as a "Competing Proposal"), the Company may request consultation with the Tender Offeror for Shares of the Company regarding a change to the Tender Offer Price for Shares of the Company, and if the Company makes such request to the Tender Offeror for Shares of the Company, the Tender Offeror for Shares of the Company shall engage in good faith consultations with the Company regarding a change to the Tender Offer Price for Shares of the Company. If the Tender Offeror for Shares of the Company does not make a legally binding re-proposal in writing or by electronic or magnetic record to the effect that it will change the Tender Offer Price for Shares of the Company to an amount equal to or higher than the amount of consideration delivered to shareholders in the Qualified Competing Tender Offer by the earlier of the day on which five business days have elapsed from the date on which such request was made to the Tender Offeror for Shares of the Company or the business day immediately preceding the expiration date of the tender offer period (or immediately after such request if such request is made after the business day immediately preceding the expiration date of the tender offer period), the Company may pass a resolution of the board of directors to withdraw or modify its opinion in favor only if the purchase price under the Qualified Competing Tender Offer or the Competing Proposal exceeds the Tender Offer Price for Shares of the Company after the re-proposal, provided that (a) it is reasonably recognized that maintaining the opinion in favor may constitute a breach of the duty of care of a good manager of the Company's directors, or (b) the Company receives advice or a report from the Special Committee to the effect that it is appropriate to withdraw or modify the opinion in favor.

(ii) The Company shall commence the Tender Offer for Share Repurchase on the condition that (i) the Tender Offer for Shares of the Company has been lawfully and validly completed in accordance with the Tender Offer Agreement, and (ii) there are no decisions, etc. by any judicial or administrative authority, etc. that restrict or prohibit the Transactions. The Company may, at its sole discretion, waive any of such conditions and perform its obligation to commence the Tender Offer for Share Repurchase.

(iii) If the Tender Offer for Share Repurchase is commenced, the Tender Offeror for Shares of the Company shall use its maximum commercially reasonable efforts to cause Nippon Steel to tender all of the Shares to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase within a practically reasonable period (provided that it shall be no later than the business day immediately preceding the last day of the tender offer period for the Tender Offer for Share Repurchase) in accordance with the provisions of the Basic Agreement, and to not subsequently withdraw such tender, nor terminate the agreement pertaining to the Shares to Be Tendered for Share Repurchase resulting from such tender, and to not tender any of the Shares Not to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase.

(iv) As soon as practically possible after the successful completion of the Tender Offer for Share Repurchase, as part of the Squeeze-Out, the Company shall convene an extraordinary general meeting of shareholders including a proposal regarding the Share Consolidation for the purpose of making the Tender Offeror for Shares of the Company and Nippon Steel the sole shareholders of the Company (note that the record date for such extraordinary general meeting of shareholders shall be a date as close as practically possible after the completion of the Tender Offer for Shares of the Company).

(v) During the period from the date of execution of the Tender Offer Agreement until the completion of the Squeeze-Out, the Company shall not, directly or indirectly, (i) enter into any agreement with any person other than the Tender Offeror for Shares of the Company regarding a competing transaction (including expressing an opinion in favor of or recommending to tender in such transaction), (ii) provide information concerning the Company or other information to any person other than the Tender Offeror for Shares of the Company in connection with a competing transaction, and (iii) solicit, initiate, or accept proposals, solicitations, offers, or requests for consultation for such competing transaction, or engage in any consultation or negotiation concerning such competing transaction. However, if the Company is permitted to withdraw or modify its opinion in favor in accordance with (a) above, this shall not apply with respect to a third party that has commenced such Qualified Competing Tender Offer or made a Competing Proposal. In addition, this shall not apply if the Company reasonably determines that a third party is likely to commence a Qualified Competing Tender Offer or make a Competing Proposal by the expiration of the tender offer period, and the Company reasonably determines that failing to provide information concerning the Company group or other information to such third party, or failing to engage in consultations or negotiations with such third party, may constitute a breach of the duty of care of a good manager as directors of the Company, in which case the Company may provide such information or engage in consultations or negotiations with such third party in response to a reasonable request from such third party.

(vi) During the period from the date of execution of the Tender Offer Agreement until the completion of the Squeeze-Out, if the Company receives a proposal, solicitation, provision of information, or offer regarding a competing transaction from a person other than the Tender Offeror for Shares of the Company, the Company shall promptly notify the Tender Offeror for Shares of the Company of such fact and the details of such proposal, etc. to the necessary and reasonable extent, and shall consult in good faith with the Tender Offeror for Shares of the Company regarding the response thereto.

In addition, under the Tender Offer Agreement, (i) mutual agreement in writing between the Tender Offeror for Shares of the Company and the Company to terminate the Tender Offer Agreement, (ii) withdrawal of the Tender Offer for Shares of the Company by the Tender Offeror for Shares of the Company in accordance with laws and regulations, etc., and (iii) failure of the total number of share certificates, etc. tendered in the Tender Offer for Shares of the Company to reach the minimum number of shares to be purchased, are stipulated as termination events.

Furthermore, under the Tender Offer Agreement, (i) a material breach of obligations under the Tender Offer Agreement by the counterparty (meaning the Company for the Tender Offeror for Shares of the Company, and the Tender Offeror for Shares of the Company for the Company; the same shall apply hereinafter in the reference to the "counterparty" in this item (ii)), (ii) a material breach of representations and warranties (Note 1) by the counterparty, and (iii) withdrawal or modification of the opinion in favor by the Company without breaching its obligations under the Tender Offer Agreement, are stipulated as termination rights; provided, however, that even if the Tender Offer Agreement is terminated pursuant to (iii), if the Tender Offer for Shares of the Company is successfully completed, such termination shall be deemed not to have occurred, and the effectiveness of the Tender Offer Agreement shall be revived prospectively.

(Note 1) Under the Tender Offer Agreement, the Tender Offeror for Shares of the Company makes representations and warranties to the Company regarding: (i) capacity and authority, etc.; (ii) execution and performance of agreement; (iii) enforceability; (iv) non-conflict with laws and regulations, etc.; (v) non-existence of insolvency proceedings, etc.; (vi) non-existence of transactions with anti-social forces; and (vii) necessary funds for the Transactions. In addition, the Company makes representations and warranties to the Tender Offeror for Shares of the Company regarding: (i) capacity and authority, etc.; (ii) execution and performance of agreement; (iii) enforceability; (iv) non-conflict with laws and regulations, etc.; (v) non-existence of insolvency proceedings, etc.; (vi) non-existence, etc. of transactions with anti-social forces, etc.; (vii) issuance, etc. of the Company Shares; (viii) financial statements; (ix) non-existence of material subsequent events; (x) contingent liabilities; (xi) business plans; (xii) contractual relations; (xiii) assets; (xiv) intellectual property rights, etc.; (xv) personnel and labor matters; (xvi) public duties and taxes; (xvii) litigation, etc.; (xviii) compliance with laws and regulations, etc. and permits/approvals; (xix) non-existence of undisclosed material facts; and (xx) accuracy of disclosure documents.

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

Since the Tender Offeror for Shares of the Company falls under "Other Affiliated Companies" of the Company, taking into account that the "Matters to be Observed Concerning MBO, etc." stipulated in Article 441 of the Securities Listing Regulations of the Tokyo Stock Exchange applies to the Tender Offer for Shares of the Company, and that structural conflict of interest issues may exist, the Tender Offeror for Shares of the Company and the Company have respectively implemented the measures set forth in (A) through (I) below to ensure the fairness of the Transactions, including the Tender Offer for Shares of the Company, from the perspective of ensuring the fairness of the Tender Offer Price for Shares of the Company, eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer for Shares of the Company, and avoiding conflicts of interest. As of today, the Tender Offeror for Shares of the Company 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 for Shares of the Company, it owns 4,370,525 Company Shares (Ownership Ratio: 18.55%). Nippon Steel, which has entered into the Basic Transaction Agreement with the Tender Offeror for Shares of the Company and has agreed not to tender any of the Company Shares it owns in the Tender Offer for Shares of the Company, 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 MoM in the Tender Offer for Shares of the Company might make the success of the Tender Offer for Shares of the Company unstable, and could conversely fail to serve the interests of general shareholders who wish to tender their shares in the Tender Offer for Shares of the Company. Therefore, a minimum number of shares to be purchased equivalent to MoM has not been set. However, the Tender Offeror for Shares of the Company believes that sufficient consideration has been given to the interests of the Company's general shareholders because the Tender Offeror for Shares of the Company and the Company have taken the following measures.

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

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

In order to ensure the fairness of the Tender Offer Price for Shares of the Company, the Tender Offeror for Shares of the Company requested Nomura Securities, its financial adviser, in its capacity as a third-party valuation institution independent of the Tender Offeror for Shares of the Company, Nippon Steel and the Company, to conduct a valuation of the Company Shares in connection with the determination of the Tender Offer Price for Shares of the Company.

Nomura Securities, having examined the financial condition of the Company, market price trends of the Company Shares, and other factors, and having determined that it is appropriate to evaluate the Company Shares from multiple perspectives, examined the valuation method to be adopted for the valuation of the Company Shares from among multiple share valuation analyses, and conducted a valuation of the share value of the Company Shares using the following analyses: (i) the average market price analysis, because the Company Shares have a market price, (ii) the comparable company analysis, because there are several listed companies engaged in businesses comparable to the Company's business and because it is possible to estimate the share value of the Company Shares through the comparable company analysis, and (iii) the DCF Analysis, so as to reflect the status of future business activities in the evaluation. The Tender Offeror for Shares of the Company obtained a share valuation report (the "Share Valuation Report (Tender Offeror for Shares of the Company)") dated July 30, 2026 from Nomura Securities. 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. The Tender Offeror for Shares of the Company has not obtained a fairness opinion from Nomura Securities regarding the fairness of the Tender Offer Price for Shares of the Company, as the Tender Offeror for Shares of the Company evaluated and determined the Tender Offer Price for Shares of the Company through comprehensive consideration of the various factors described below and through discussions and negotiations with the Company.

The ranges of the share value per Company Share calculated by Nomura Securities using each of the above analysis 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, using July 30, 2026 as the reference date, and based on the Company Shares' closing price of JPY 7,740 on the Prime Market of the TSE on the reference date, the simple average closing price of JPY 7,546 for the most recent five business days, the simple average closing price of JPY 7,046 for the most recent one (1) month, the simple average closing price of JPY 7,299 for the most recent three (3) months, and the simple average closing price of JPY 7,358 for the most recent six (6) months, the range of the share value per Company Share was calculated to be from JPY 7,046 to JPY 7,740.

Under the comparable company analysis, the share value of the Company Shares was evaluated by comparing the market prices and financial indicators representing profitability of listed companies engaged in businesses comparable to the Company's business, and the range of the share value per Company Share was calculated to be from JPY 3,721 to JPY 9,022.

Under the DCF Analysis, based on future earnings forecasts for the Company from the fiscal year ending March 2027 onward, and taking into account various factors such as (i) revenues and investment plans in the financial projections for the four (4) fiscal years from the fiscal year ending March 2027 through the fiscal year ending March 2030, which were received from the Company (free cash flows were not included in the business plan received from the Company) and, after being reviewed by the Tender Offeror for Shares of the Company, provided to Nomura Securities, (ii) recent business performance trends, and (iii) generally publicly available information, the enterprise value and the share value of the Company were analyzed and evaluated by discounting the free cash flows expected to be generated by the Company in the future to their present value based on a certain discount rate, and the range of the share value per Company Share was calculated to be from JPY 5,544 to JPY 11,912. Note that, with respect to the Company's financial projections used as the basis for the DCF Analysis, fiscal years in which a significant increase or decrease in profit is expected are not included, while fiscal years in which a significant increase or decrease in free cash flow is expected are included. Specifically, for the fiscal year ending March 2027 and the fiscal year ending March 2028, a significant decrease in free cash flow is expected, due to an increase in the amount of capital expenditures during the planning period as compared with prior fiscal years. In addition, such financial projections are not premised upon the implementation of the Transactions, and the synergies expected to be realized through the implementation of the Transactions have not been factored into such financial projections, as it is currently difficult to specifically estimate them.

In addition to the valuation results for the Company Shares contained in the Share Valuation Report (Tender Offeror for Shares of the Company) obtained from Nomura Securities, the Tender Offeror for Shares of the Company comprehensively considered factors such as the results of the due diligence conducted on the Company from mid-March to late June 2026, whether the Company's board of directors supports the Tender Offer for Shares of the Company, and the prospects for shares to be tendered in the Tender Offer for Shares of the Company and, based on the results of discussions and negotiations with the Company, ultimately determined today that the Tender Offer Price for Shares of the Company shall be JPY 10,600.

The Tender Offer Price for Shares of the Company of JPY 10,600 represents a premium of 36.95% over the Company Shares' closing price of JPY 7,740 on the Prime Market of the TSE on July 30, 2026, the business day immediately preceding the date of announcement of the scheduled commencement of the Tender Offer for Shares of the Company (today), a premium of 50.44% over the simple average closing price of JPY 7,046 for the most recent one (1) month, a premium of 45.23% over the simple average closing price of JPY 7,299 for the most recent three (3) months, and a premium of 44.06% over the simple average closing price of JPY 7,358 for the most recent six (6) months.

Note 1: Nomura Securities assumed that the public information and all information provided to Nomura Securities are accurate and complete when evaluating the share value of the Company Shares and has not independently verified the accuracy and/or completeness of such information. Nomura Securities has not independently evaluated, appraised or assessed the assets or liabilities (including derivatives, unrecorded assets and liabilities, and other contingent liabilities) of the Company or its affiliates, including an method and valuation of individual assets and liabilities, nor has it requested an appraisal or assessment by a third-party institution. With respect to the Company's financial forecast (including income plans and other information), Nomura Securities assumes that they were reasonably examined and prepared by the Tender Offeror for Shares of the Company's management team based on the best projections and judgments made in good faith and to the best of their ability at the present time. The evaluation by Nomura Securities reflects the information and economic conditions obtained by Nomura Securities up to July 30, 2026. The sole purpose of the evaluation by Nomura Securities is to assist the Tender Offeror for Shares of the Company's board of directors in examining 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 for Shares of the Company

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 calculate 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 for Shares of the Company, and Nippon Steel, and has lending and other transactions with the Company, the Tender Offeror for Shares of the Company, 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 calculated 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 valuing the Company's share value, and selected Mizuho Securities as its third-party valuation institution. Since the Tender Offeror for Shares of the Company 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, after confirming that there are no issues with respect to the expertise and independence of Mizuho Securities, approved Mizuho Securities as the third-party valuation institution of the Company.

(ii) Overview of Valuation

As a result of considering the valuation methods to be applied in the Tender Offer for Shares of the Company, based on the approach 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 methods 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 7,740.

Under the DCF Analysis, based on factors such as revenue forecasts, investment plans, and generally publicly available information in the four-fiscal-year business plan from the fiscal year ending March 2027 through the fiscal year ending March 2030 (the "Business Plan"), which was prepared by the Company covering a period that can be reasonably forecasted at present in light of recent earnings environments and the Company's business results, etc., the enterprise 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 2027 onward to their present value at a certain discount rate, and the range of the share value per Company Share was calculated to be 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, a size risk premium was not taken into account. In calculating the terminal value, the perpetual growth method was adopted, and after comprehensively taking into account the external environment, etc., the terminal value was calculated to be JPY 169,851 million to JPY 236,634 million, assuming a perpetual growth rate of 1.5% to 2.5%. In calculating the terminal value, gains on the sale of vessels arising after the planning period of the Business Plan were taken into account.

The financial projections based on the Business Plan that Mizuho Securities used as the basis for the calculation under the DCF Analysis are as follows. These financial projections include fiscal years in which significant increases or decreases in profit and free cash flow 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 2,939 million year-on-year, mainly due to the expectation that current freight market conditions, which are affected by soaring fuel costs and disruptions on certain routes resulting from the worsening Middle East situation, will return to levels prior to the deterioration of the Middle East situation. The synergy effects expected to be realized through the execution of the Transactions are not factored into the financial projections in the Business Plan because it is currently difficult to specifically estimate their impact on earnings, and they are also not incorporated into the calculation by Mizuho Securities, which used these projections as a basis for its calculation.

The Business Plan was prepared for the purpose of examining the fairness and appropriateness of the terms of the Transactions. The Business Plan was prepared by the Project Team (as defined below; the same shall apply hereinafter), and neither the Tender Offeror Group nor Nippon Steel (including former employees of, or secondees from, the Tender Offeror for Shares of the Company and Nippon Steel) was involved in the preparation process. In addition, in preparing the Business Plan, the fairness of the preparation process, including the independence of the Company's officers and employees involved in the preparation, was confirmed by TKI, the legal adviser, and the Special Committee. Furthermore, multiple Q&A sessions regarding the draft Business Plan and major underlying assumptions were conducted among Mizuho Securities, Plutus, and the Special Committee. Based on the foregoing, the Special Committee confirmed the reasonableness of, and approved, the contents, major underlying assumptions, and background of preparation of the Business Plan.

Although the Business Plan differs from the Current Medium-Term Business Plan (financial target for operating profit in FY2027: JPY 20.0 billion), this reflects changes in the market environment from the time the Current Medium-Term Business Plan was formulated to the present. Specifically, while the Current Medium-Term Business Plan assumed that environmental initiatives across international shipping as a whole would progress due to the introduction of environmental regulations, following the International Maritime Organization's resolution in October 2025 to postpone for one year the adoption of draft amendments to international treaties aiming to reduce greenhouse gas emissions from international shipping, the Company recognizes that environmental initiatives worldwide have stalled; taking into account that the Company's investments in environmentally friendly vessels as assumed under the Current Medium-Term Business Plan have not progressed as originally assumed, the Company has prepared the Business Plan, which it considers more objective, reasonable, and tailored to current circumstances. The Special Committee has also confirmed the reasonableness of the divergence between the figures in the Current Medium-Term Business Plan and those in the Business Plan.

(Unit: JPY million)

	Fiscal year ending March 31, 2027	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 share value of the Company Shares, Mizuho Securities analyzed and examined the following materials and information. Note that the following materials include those related to the Company's subsidiaries and affiliates (as defined in Article 8 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963); hereinafter collectively referred to as "Affiliates").

(a) Financial information disclosed in the Company's annual securities reports, quarterly securities reports, and other publications

(b) Various materials regarding the business and financial condition prepared and created by the Company and disclosed to Mizuho Securities

(c) Various materials regarding financial forecasts prepared and created by the Company and disclosed to Mizuho Securities (including the Business Plan)

(d) Results of interviews with the Company's management and answers in Q&A lists received from relevant departments regarding the past performance and outlook of the Company's business and financial condition

(e) Share prices and trading status of the Company's common shares

(f) Various other materials received by Mizuho Securities from the Company or obtained through general research by Mizuho Securities that Mizuho Securities deemed necessary and appropriate

In addition, Mizuho Securities relies on the following assumptions in valuing the share value of the Company Shares:

(a) Mizuho Securities relies upon and assumes that all public information examined by Mizuho Securities and all financial and other information provided to Mizuho Securities by the Company or discussed between Mizuho Securities and the Company, which formed a substantial basis for its analysis (the "Information"), are accurate and complete. Mizuho Securities has not independently verified, and bears no responsibility or obligation to independently verify, the accuracy and completeness of the Information. Accordingly, if there is any item in the Information that constitutes a material error, or if there are facts or circumstances that were not disclosed as of the valuation record date, or facts or circumstances that arose after the valuation record date (including facts that existed potentially as of the valuation record date and subsequently became clear), the valuation results may differ. Note that Mizuho Securities assumes that the Company's management is not aware of any facts that would render the financial and other information provided to Mizuho Securities by the Company or discussed between Mizuho Securities and the Company incomplete or misleading.

(b) With respect to financial projections and other forward-looking information provided to Mizuho Securities (including forecasts regarding future revenues and expenses, outlooks for cost reductions, and the Business Plan), Mizuho Securities assumes that they were reasonably prepared and created by the Company based on the best predictions and judgments currently available regarding the future operating results and financial condition of the Company and its Affiliates; further, without independently verifying the feasibility of such financial projections and business plans, Mizuho Securities relies on these financial projections and business plans, and expresses no opinion regarding the analyses or forecasts mentioned in the Share Valuation Report for the Company (Mizuho Securities) or the assumptions underlying them. Regarding the synergy effects of the Transactions between the Company and the Tender Offeror for Shares of the Company, as of the delivery of the Share Valuation Report for the Company (Mizuho Securities), Mizuho Securities is not aware of any matters whose potential impact on the share valuation can be quantitatively evaluated, and therefore has not incorporated them into the share valuation in the Share Valuation Report for the Company (Mizuho Securities).

(c) Among the information requested by Mizuho Securities for the preparation of the Share Valuation Report for the Company (Mizuho Securities), for information that was not provided or disclosed by the Company, information whose effect on the Company's corporate value is uncertain at present despite being provided or disclosed, or information that could not otherwise be used by Mizuho Securities as a basis for valuation, Mizuho Securities has used assumptions that Mizuho Securities considers reasonable and appropriate with the consent of the Company. If such assumptions made by Mizuho Securities prove to be different from facts in material respects, the valuation results may differ.

(d) It is assumed that the Transactions are non-taxable transactions for the Company under the Corporation Tax Act of Japan, and that other tax relations regarding the Transactions will not affect the share value of the Company Shares. Furthermore, without independent verification, Mizuho Securities assumes that the Transactions will be completed in a timely manner, that all material governmental, regulatory, and other consents and approvals (whether required by laws and regulations or contracts) necessary for the completion of the Transactions can be obtained without any adverse effect on the Company or the benefits expected from the Transactions, that the contents of such consents and approvals will not affect the share value of the Company Shares, and that if any orders, measures, or other dispositions are issued or imposed on the Company by regulatory authorities or others, there is no impact on the future performance of the Company, or no such impact will occur in the future, except as disclosed by the Company. Mizuho Securities is not an expert in legal, regulatory, or accounting/tax matters, and relies on evaluations performed by the Company's external experts regarding such matters.

(e) Mizuho Securities has not performed an independent valuation or assessment of the assets and liabilities (including derivative transactions, off-balance sheet assets/liabilities, and other contingent liabilities) or reserves of the Company or its Affiliates, nor has it analyzed the validity of their accounting/tax valuation amounts or the appropriateness of accounting/tax treatments. Mizuho Securities has not independently received any valuation, assessment, or analysis provided by a third party, nor has it requested one from a third party. Mizuho Securities bears 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 laws relating to insolvency, bankruptcy, etc.

(f) Mizuho Securities assumes that neither the Company nor any of its Affiliates has entered into any contract, agreement, or any other document in the past, nor made any such decision, that would have a material impact on the share value of the Company Shares, nor will enter into or make any such decision in the future, and that the execution of the Transactions will not result in a breach of any material agreement by which the Company or its Affiliates will be bound in the future, nor give rise to any right to terminate such material agreement or to declare a default or exercise remedies under such agreement.

(g) Mizuho Securities assumes that, except as disclosed in the Information, there are no contingent liabilities related to litigation, disputes, or other matters of the Company and its Affiliates, nor off-balance sheet liabilities related to environmental, tax, intellectual property rights, etc., and that the current coverage of insurance regarding the Company's business is adequate for its business operations.

(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 for Shares of the Company

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 calculate the value of the Company Shares and express an opinion on the fairness of the Tender Offer Price for Shares of the Company (a fairness opinion). The Special Committee received the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion on July 30, 2026. Plutus is not a related party of the Tender Offeror for Shares of the Company, Nippon Steel, or the Company, and does not have any material interest in the Transactions, including the Tender Offer for Shares of the Company. 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 methods to be applied in the Tender Offer for Shares of the Company, based on the approach 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 methods 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 17,622. The WACC was used as the discount rate, adopting a range of 5.7% to 7.0%. It should be noted that in calculating the discount rate, a size risk premium has not been taken into account. In addition, in calculating the terminal value, it is calculated to be JPY 182,387 million to JPY 234,020 million based on the perpetual growth rate method and the multiple method. The range of growth rates under the perpetual growth rate method is set from 0% to 1%, with the minimum value based on theoretically assumed long-term economic conditions and the maximum value based on macro factors such as inflation rates and demographics, respectively. Under the multiple method, the EV/EBITDA multiple is adopted and set at 8.7 times to 12.6 times, taking into account the levels of peer companies in the industry, etc.

In addition, the Business Plan was prepared by the Project Team composed of employees of the Company who are independent of the Tender Offeror Group and Nippon Steel. 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 for Shares of the Company 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, mainly due to the expectation that current freight rate market conditions, which have been affected by soaring fuel costs and disruptions on certain routes resulting from the deteriorating situation in the Middle East, will return to levels prior to the deterioration of the Middle East situation, operating income 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.

Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions are not factored into the following financial projections, as it is currently difficult to specifically estimate them.

Note that the financial projections used as a basis for the analysis under the DCF Analysis are as follows:.

(Unit: JPYmillion)

	Fiscal year ending March 31, 2027 (nine 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

Note1: In valuing the share value of the Company Shares, Plutus in principle adopts information provided by the Company and generally publicly available information as is, assumes that all of such materials and information are accurate and complete, and has not independently verified their accuracy and completeness. In addition, Plutus has not conducted an independent valuation or assessment of the assets and liabilities (including off-balance sheet assets and liabilities, and other contingent liabilities) of the Company and its Affiliates, nor has it requested an appraisal or assessment by a third-party institution. Furthermore, regarding information concerning the Company's financial projections, Plutus assumes that they were reasonably prepared based on the best projections and judgments currently available to the Company's management. However, Plutus conducted multiple Q&A sessions with the Company regarding the Business Plan used as a basis for the valuation, and confirmed the reasonableness of the Business Plan from the perspective of whether there are any unreasonable points, after understanding the current status of the Company and verifying that it was reasonably prepared based on the best projections and judgments currently available to the Company's management. In addition, the Special Committee has confirmed the reasonableness of its contents, major underlying assumptions, and background of preparation, etc.

(iii) Overview of the Fairness Opinion

On July 30, 2026, the Special Committee obtained the Fairness Opinion from Plutus to the effect that the Tender Offer Price for Shares of the Company of JPY 10,600 is fair to the general shareholders of the Company from a financial perspective. The Fairness Opinion expresses an opinion that the Tender Offer Price for Shares of the Company of JPY 10,600 is fair to the general shareholders of the Company from a financial perspective in light of the valuation results, etc. of the share value based on the Business Plan prepared by the Company. The Fairness Opinion was issued after Plutus received disclosure and explanation from the Company regarding the current status of the Company's business and the Business Plan, etc., and in addition to the valuation results of the Company's share value conducted by Plutus, through Q&A sessions with the Company regarding the overview, background, and purpose of the Tender Offer for Shares of the Company, examination of the Company's business environment, economy, market, and financial conditions to the extent Plutus deemed necessary, and review procedures by a review committee independent of the engagement team at Plutus (Note 2).

Note 2: Plutus states that, in preparing the Fairness Opinion, it assumed that the basic materials and publicly available materials provided by the Company as well as the information interviewed from the Company are accurate and complete, has not conducted an independent investigation or verification regarding their accuracy and completeness, and bears no obligation to do so; therefore, it assumes no liability arising from deficiencies in such materials or non-disclosure of material facts. Plutus states that it assumed that the Business Plan and other materials used as basic materials for the Fairness Opinion were reasonably prepared based on the best projections and judgments as of the time of preparation of such materials, does not guarantee their feasibility, and expresses no opinion regarding the analyses or forecasts that formed the premises of their preparation, or the underlying conditions that served as the grounds for them. Plutus states that, because it is not an expert institution on legal, accounting, or tax matters, it neither expresses any opinion regarding legal, accounting, or tax issues concerning the Tender Offer for Shares of the Company, nor bears an obligation to do so. Plutus states that it has not conducted an independent valuation or appraisal regarding the assets and liabilities of the Company and its Affiliates (including off-balance sheet assets and liabilities, and other contingent liabilities), including analyses and valuations of individual assets and liabilities, nor has it received any valuation reports or appraisal reports regarding them; therefore, it has also not conducted an evaluation of the solvency of the Company and its Affiliates. Plutus states that, because the Fairness Opinion expresses an opinion regarding the fairness of the Tender Offer Price for Shares of the Company from a financial perspective for the purpose of serving the Company's examination in expressing its opinion on the Tender Offer for Shares of the Company, it expresses no opinion on the superiority or inferiority of transactions that could be alternative options to the Tender Offer for Shares of the Company, the benefits brought about by the implementation of the Tender Offer for Shares of the Company, or the advisability of executing the Tender Offer for Shares of the Company. Plutus states that, because the Fairness Opinion does not express any opinion to holders of securities issued by the Company, creditors, or other interested parties, Plutus assumes no liability whatsoever to shareholders or third parties who relied on the Fairness Opinion. Plutus states that it does not solicit investment, etc. in the Company, nor does it have the authority to do so; therefore, the Fairness Opinion does not recommend shareholders to take any action, such as tendering, with respect to the Tender Offer for Shares of the Company. Plutus states that the Fairness Opinion states an opinion as of the date of submission of the Fairness Opinion regarding whether or not the Tender Offer Price for Shares of the Company is fair to the general shareholders of the Company from a financial perspective, on the premise of financial and capital markets, economic conditions, and other circumstances as of the date of submission of the Fairness Opinion, and based on the information provided to or obtained by Plutus up to such date; even if these premises change due to future changes in circumstances, Plutus bears no obligation to revise, modify, or supplement its opinion. Plutus states that the Fairness Opinion does not infer or suggest any opinion with respect to matters other than those explicitly stated in the Fairness Opinion, or with respect to periods after the submission date of the Fairness Opinion.

In valuing the share value of the Company Shares, Plutus in principle adopts information provided by the Company and generally publicly available information as is, assumes that all of such materials and information are accurate and complete, and has not independently verified their accuracy and completeness. In addition, Plutus has not conducted an independent valuation or assessment of the assets and liabilities (including off-balance sheet assets and liabilities, and other contingent liabilities) of the Company and its Affiliates, nor has it requested an appraisal or assessment by a third-party institution. Furthermore, regarding information concerning the Company's financial projections, Plutus assumes that they were reasonably prepared based on the best projections and judgments currently available to the Company's management; nevertheless, with respect to such financial projections, the Special Committee held Q&A sessions with the Company and confirmed the reasonableness of their contents, underlying conditions, etc. Note that Plutus conducted Q&A sessions with the Company regarding the Business Plan used as a basis for valuation, and analyzed and examined its contents.

(D) Establishment of an Independent Special Committee and Acquisition of the 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. This committee is independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. In addition, the remuneration of the members of the Special Committee is set as fixed fees, and contingency fees payable subject to the successful completion, etc. of the Transactions are not 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 for Shares of the Company 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 Dual Tender Offer Prices, 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 for Shares of the Company and recommend that the Company's shareholders tender their shares in the Tender Offer for Shares of the Company (collectively, the "Consultation Matters").

The Special Committee met a total of 15 times between February 27, 2026, and July 30, 2026, and carefully discussed and considered the Consultation Matters. Specifically, the Special Committee conducted: (i) interviews with the Tender Offeror for Shares of the Company regarding the background and history leading to the proposal of the Transactions, the synergies expected to result from the Transactions, the Tender Offeror for Shares of the Company'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 for Shares of the Company's proposal, the status of discussions with the Tender Offeror for Shares of the Company, and the contents 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 methodologies 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 methodologies 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 for Shares of the Company concerning the Tender Offer Price for Shares of the Company 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 as No.1 hereto.

For the details of the opinion of the Special Committee on the Consultation Matters and the reasons therefor, please refer to the contents of 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 for Shares of the Company regarding the Tender Offer Price for Shares of the Company 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 Tender Offer for Shares of the Company" under "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Conduct Dual Tender Offers, and Management Policy After the Dual Tender Offers" above, the Company began establishing a framework to consider, negotiate, and make decisions regarding the Transactions from a standpoint independent of the Tender Offeror for Shares of the Company, 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 for Shares of the Company on the Tender Offer Price for Shares of the Company and other conditions.

Specifically, in response to the instructions of the Special Committee, the Company established a project team (the "Project Team") to conduct the consideration, negotiation, and decision-making regarding the Transactions within the Company, including responding to the due diligence conducted on the Company by the Tender Offeror for Shares of the Company, considering and preparing the Business Plan, and considering the Company's management policy following the Transactions, comprising directors including Mr. Takamasa Takami, Mr. Yoshinori Sato, and Mr. Kyo Sonoda (Mr. Toru Fujita, Mr. Shinichi Kitazato, and Mr. Kiyoshi Kanemitsu were removed from the Project Team upon their retirement as directors at the conclusion of the Ordinary General Meeting of Shareholders of the Company held on June 25, 2026). In selecting the members of the project team (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 for Shares of the Company) 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 described in "(G) 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 the like to the framework regarding the consideration, negotiation, and decision-making 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 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 Tender Offer for Shares of the Company" under "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Conduct Dual Tender Offers, and Management Policy After the Dual Tender Offers" above, the Company determined that the Transactions, including the Tender Offer for Shares of the Company, would contribute to the enhancement of the corporate value of the Company Group, that the Tender Offer Price for Shares of the Company is reasonable, and that the Tender Offer for Shares of the Company 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 to express its opinion in support of the Tender Offer for Shares of the Company and to recommend that the shareholders of the Company tender their shares in the Tender Offer for Shares of the Company.

In addition, as described in "(C) Decision-Making Process and Reasons Leading to the Company's Support for Tender Offer for Shares of the Company" under "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Conduct Dual Tender Offers, and Management Policy After the Dual Tender Offers" above, the Tender Offer for Shares of the Company is scheduled to commence promptly if the Conditions Precedent are satisfied or waived by the Tender Offeror for Shares of the Company. As of today, although the Tender Offeror for Shares of the Company 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 for Shares of the Company 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 for Shares of the Company 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 for Shares of the Company again at the time the Tender Offer for Shares of the Company commences.

In addition to the resolution above, the Company has resolved at its Board of Directors meeting held today that, subject to the successful completion of the Tender Offer by the Tender Offeror, etc., as the second step of the Transaction following the implementation of the Tender Offer by the Tender Offeror, the Company plans to conduct an acquisition of its own shares and, as a specific method for such acquisition, conduct a share repurchase for the purpose of acquiring the Shares Subject to the share repurchase to be Tendered held by Nippon Steel, pursuant to the provisions of the Company's Articles of Incorporation under Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the same Act.

In addition, of the nine directors of the Company above, 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 & Supervisory Board Members of the Company, one Audit & 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 for Shares of the Company, and among the Audit & 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 for Shares of the Company, 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 for Shares of the Company concerning the Transactions.

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

The Tender Offeror for Shares of the Company intends to aim to commence the Tender Offer for Shares of the Company from late November to late December 2026 and believes that because there is a long period of time until the commencement of the Tender Offer for Shares of the Company, opportunities for purchases of the Company Shares by persons other than the Tender Offeror for Shares of the Company are ensured.

Furthermore, as described in "(B)Tender Offer Agreement" under "(4) Material Agreements Relating to the Dual Tender Offers" above, the Tender Offer Agreement contains deal protection provisions to the effect that the Company shall not (i) enter into any agreement with any person other than the Tender Offeror for Shares of the Company regarding any transaction that substantially competes with, contradicts, or conflicts with, or is likely to compete with, contradict, or conflict with, the Transactions (regardless of the method, including tender offers, organizational restructurings, or other methods, transactions to acquire shares, etc. of the Company, or transactions to dispose of all or a material part of the shares or business of the Company; hereinafter referred to as a "Competing Transaction") (including expressing an opinion in favor of or recommending to tender in such transaction), (ii) provide information concerning the Company or other information to any person other than the Tender Offeror for Shares of the Company in connection with a Competing Transaction, and (iii) solicit, initiate, or accept proposals, solicitations, offers, or requests for consultation for a Competing Transaction, or engage in any consultation or negotiation concerning a Competing Transaction.

However, the Tender Offer Agreement provides that (i) if the Company is permitted to withdraw or modify its opinion in favor in accordance with the Tender Offer Agreement, this shall not apply with respect to a third party that has commenced a Qualified Competing Tender Offer or made a Competing Proposal, and (ii) this shall not apply if 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 for the Tender Offer for Shares of the Company (hereinafter referred to as the "Expiration Date of the Tender Offer Period for Shares of the Company"), and the Company reasonably determines that failing to provide information concerning the Company group or other information to such third party, or failing to engage in consultations or negotiations with such third party, may constitute a breach of the duty of care of a good manager as directors of the Company, in which case the Company may provide such information or engage in consultations or negotiations with such third party in response to a reasonable request from such third party. Therefore, it can be said that it is fully possible for a third party attempting to make a proposal more favorable to the Company and its shareholders to approach, propose to, and engage in consultations and negotiations, etc. with the Company, and as a result, actually conduct a Qualified Competing Tender Offer, etc. Accordingly, we believe that the Tender Offer Agreement does not unduly impede the opportunity for third parties to make competing proposals.

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

As described in "(6) Policy Regarding Reorganization, etc., Following Completion of the Dual Tender Offers" below, the Tender Offeror for Shares of the Company ensures an opportunity for the Company's shareholders to properly decide whether or not to tender their shares in the Dual Tender Offers and gives consideration to avoid creating coercive pressure on the Company's shareholders by (i) planning to make a demand to the Company to convene the Extraordinary Shareholders' Meeting at which the agenda items will include proposals for the Share Consolidation and a partial amendment to the Company's articles of incorporation to abolish the provisions on share units subject to the Share Consolidation taking effect, and not employing methods that do not 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 each Company Share in the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price for Shares of the Company by the number of the Company Shares owned by each of those shareholders (excluding the Tender Offeror for Shares of the Company, Nippon Steel, and the Company).

Furthermore, the Tender Offeror for Shares of the Company plans to set the purchase period, etc. in the Tender Offer for Shares of the Company 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 for Shares of the Company to the actual commencement of the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company believes that sufficient opportunity has been secured for the general shareholders of the Company to make their decision regarding tendering into the Tender Offer for Shares of the Company.

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

As described in "(1) Overview of Purpose of the Tender Offer for Share Repurchase" above, if the Tender Offeror for Shares of the Company is unable to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror for Shares of the Company and Nippon Steel, and the treasury shares held by the Company) through the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company 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 for Shares of the Company and Nippon Steel the sole shareholders of the Company.

Specifically, promptly after the result announcement date of the Tender Offer for Shares of the Company, the Tender Offeror for Shares of the Company 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 for Shares of the Company, it is currently planned to be held in early March 2027, if the Tender Offer for Shares of the Company can commence in late November 2026.

If the Company receives such a request from the Tender Offeror for Shares of the Company, the Company plans to comply with the request. The Tender Offeror for Shares of the Company 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 off; the same applies hereinafter) to the Tender Offeror for Shares of the Company 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 for Shares of the Company 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 for Shares of the Company, 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 for Shares of the Company by (b) the number of the Company Shares held by such shareholders, and file a petition with a 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 for Shares of the Company plans to request the Company to determine the ratio in a manner such that the Tender Offeror for Shares of the Company 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 for Shares of the Company 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 for Shares of the Company if the Tender Offer for Shares of the Company 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 a 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 for Shares of the Company and Nippon Steel) who did not tender their shares in the Dual Tender Offers will become a fraction less than one (1) share, 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 implementation 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 for Shares of the Company is completed, the Tender Offeror for Shares of the Company intends to adopt any measures to eventually pay cash to the shareholders of the Company (excluding the Tender Offeror for Shares of the Company and Nippon Steel) who did not tender their shares in the Tender Offer for Shares of the Company and calculate the amount of cash to be paid to each of the shareholders equal to the amount obtained by multiplying the Tender Offer Price for Shares of the Company 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 with the Tender Offeror for Shares of the Company.

The Tender Offeror for Shares of the Company 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.

(7) 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 for Shares of the Company has not set a maximum number of shares to be purchased in the Tender Offer for Shares of the Company, depending on the results of the Tender Offer for Shares of the Company, 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 for Shares of the Company 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 Dual Tender Offers, if the Squeeze-Out Procedures described in “(6) Policy for Organizational Restructuring, etc. after Dual Tender Offers” above are implemented after the completion of Dual Tender Offers, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria established by the TSE. Following the delisting, the Company Shares may no longer be traded on the Prime Market of the TSE. For the reasons for targeting delisting, the impact on general shareholders, and the approach thereto, please refer to “(2) Background, Purpose and Decision-Making Process Leading to the Decision to Conduct the Dual Tender Offers, and Management Policy After the Dual Tender Offers, and Management Policy After the Dual Tender Offers” and “(6) Policy for Organizational Restructuring, etc. after Dual Tender Offers” above.

2．Details of the Resolution of the Board of Directors Concerning the Share Repurchase

The Company plans to resolve again at a meeting of its board of directors concerning the share repurchase at the time the Tender Offer for Share Repurchase is commenced. Details of the resolution of the board of directors will be announced promptly after the resolution is made.

3．Overview of the Purchases, etc.

(1) Schedule, etc.

The Company plans to resolve and announce the commencement of the Tender Offer for Share Repurchase at a meeting of its board of directors promptly after the commencement date of the settlement of the Tender Offer for Shares of the Company (currently scheduled for early January 2027 as of today), and to conduct the Tender Offer for Share Repurchase with a purchase period (the “Tender Offer Period for Share Repurchase”) of 20 business days, starting from the following business day (currently scheduled for early January 2027 as of today), subject to the satisfaction of all of the Conditions Precedent for the Tender Offer for Share Repurchase. Details of the schedule for the Tender Offer for Share Repurchase will be announced promptly once determined.

(2) Price of Purchases, etc.

JPY 7,676 per share of common stock

(3) Basis for Calculation of the Price of Purchases, etc.

(A)Basis for Calculation

On January 30, 2026, the Company received the Letter of Intent from the Tender Offeror for Shares of the Company. In response, in order to ensure the fairness of the Tender Offer Price for Shares of the Company and other fairness of the Transactions, including the Tender Offer for Shares of the Company, the Company appointed TKI on February 3, 2026, as its legal adviser independent from the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, and appointed Mizuho Securities on February 17, 2026, as its financial adviser and third-party valuation institution independent from the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. Furthermore, considering that the Transactions constitute an acquisition of an equity-method affiliate by a major shareholder of the Company, and that there are structural conflicts of interest and information asymmetry issues between the Tender Offeror for Shares of the Company and the Company or the general shareholders of the Company, for the purpose of ensuring careful decision-making by the Company regarding the Transactions, eliminating arbitrariness and the risk of conflicts of interest in the decision-making process of the Company's board of directors, and ensuring the fairness thereof, the Company established the Special Committee by resolution of its board of directors held on February 17, 2026. On March 19, 2026, the Special Committee decided to appoint Plutus as the Special Committee's independent 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 "(5) Measures to Ensure the Fairness of Dual Tender Offers" of "1. Purpose of Purchases, etc." above, the Company established a structure within the Company (including the scope of the Company's officers and employees involved in the examination, negotiation, and judgment of the Tender Offer for Shares of the Company and their duties) to examine, negotiate, and make judgments regarding the Tender Offer for Shares of the Company from a position independent of the Company Group, the Tender Offeror Group, and Nippon Steel, and proceeded with its examination. After the establishment of the above structure, the Special Committee, while receiving advice from Mizuho Securities and TKI, engaged in discussions and negotiations with the Tender Offeror for Shares of the Company through Mizuho Securities, the Company's financial adviser, regarding the terms of the Transactions, including the Tender Offer Price for Shares of the Company.

As described in "(1) Overview of Purpose of the Tender Offer for Share Repurchase" above, the Tender Offeror for Shares of the Company determined that by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price for Shares of the Company, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer for Shares of the Company, 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 for Shares of the Company, which serves the interests of general shareholders of the Company; therefore, the Tender Offeror for Shares of the Company adopted a structure in which the Tender Offer for Share Repurchase by the Company is conducted together with the Tender Offer for Shares of the Company by the Tender Offeror for Shares of the Company.

At the meeting of the board of directors held today, subject to the successful completion of the Tender Offer for Shares of the Company etc., pursuant to the provisions of the Company's articles of incorporation under Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the Companies Act, as the second step of the Transactions following the implementation of the Tender Offer for Shares of the Company, the Company resolved to acquire its own shares for the purpose of acquiring the Shares to Be Tendered for Share Repurchase held by Nippon Steel and to conduct a tender offer as a specific method of such acquisition; and promptly after the result announcement date of the Tender Offer for Shares of the Company (currently scheduled for early January 2027), the Company plans to adopt a board of directors resolution regarding the commencement of the Tender Offer for Share Repurchase and issue an announcement thereof, and to commence the Tender Offer for Share Repurchase from the following business day (currently scheduled for early January 2027).

The Tender Offer Price for Share Repurchase is scheduled to be JPY 7,676, which is lower than the Tender Offer Price for Shares of the Company of JPY 10,600 by JPY 2,924 (28% (rounded to the nearest whole number)).

Regarding the difference between the Tender Offer Price for Shares of the Company and the Tender Offer Price for Share Repurchase (JPY 2,924), discussions were held among the Tender Offeror for Shares of the Company, Nippon Steel, and the Company taking into account the following factors, and agreed upon in the Tender Offer Agreement and the Basic Agreement.

(i) Setting the price such that the after-tax net proceeds per share in the event that Nippon Steel tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will be equal to the after-tax net proceeds per share in the event that Nippon Steel were to tender in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company, taking into account that the dividends received deduction with respect to deemed dividends provided for in the Corporation Tax Act is expected to be applicable. Therefore, the after-tax net proceeds per share in the event that Nippon Steel tenders 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 in the event that Nippon Steel were to tender in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company, and Nippon Steel does not gain a benefit compared to the general shareholders of the Company.

(ii) While there is a limit on the total purchase amount by the Tender Offeror for Shares of the Company, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price for Shares of the Company, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer for Shares of the Company, 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 for Shares of the Company, which serves the interests of general shareholders of the Company.

(iii) In the event that the Tender Offer for Share Repurchase is not conducted in the Transactions, and a negotiated share repurchase from Nippon Steel is executed after privatization, depending on the number of shares tendered in the Tender Offer for Shares of the Company and the ratio of the subsequent Share Consolidation, the applicable ratio under the dividends received income deduction system under the Corporation Tax Act for Nippon Steel, as the counterparty to such share repurchase, may decrease accordingly, and conducting the Tender Offer for Share Repurchase allows the price for the Company's acquisition of its own shares held by Nippon Steel to be set lower, and as a result, enables the Tender Offer Price for Shares of the Company to be set higher, providing general shareholders of the Company with an opportunity to sell their shares at an even higher price through the Tender Offer for Shares of the Company.

Note that the Tender Offer Price for Share Repurchase of JPY 7,676 represents a discount of 0.83% against 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 announcement date (today) of the scheduled commencement of the Tender Offer for Share Repurchase, and a premium of 8.94% against the simple average of the closing prices for the most recent one-month period of JPY 7,046, a premium of 5.17% against the simple average of the closing prices for the most recent three-month period of JPY 7,299, and a premium of 4.32% against the simple average of the closing prices for the most recent six-month period of JPY 7,358, respectively.

(B) Background of Calculation

As described in "(A) Background, Purpose, and Decision-Making Process Leading to the Decision by the Tender Offeror for Shares of the Company to Conduct Dual Tender Offers" under "(2) Background, Purpose, and Decision-Making Process Leading to the Decision to Conduct the Dual Tender Offers, and Management Policy After the Dual Tender Offers" of "1. Purpose of Purchases, etc." above, the Tender Offeror for Shares of the Company determined that, from the perspective of maintaining Nippon Steel's interest in the management and business performance of the Company above a certain level and establishing a cooperative relationship that contributes to the improvement of the Company's business performance, 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 the Letter of Intent to the Company on January 30, 2026. In addition, in proceeding with a full-scale examination of the Transactions, the Tender Offeror for Shares of the Company appointed Nagashima Ohno & Tsunematsu on October 9, 2025, as a legal adviser independent from the Tender Offeror Group, the Company Group, and Nippon Steel, and appointed Nomura Securities on January 20, 2026, as a financial adviser and third-party valuation institution independent from the Tender Offeror Group, the Company Group, and Nippon Steel, and proceeded with the full-scale examination of the Transactions. Furthermore, on February 17, 2026, the Company established the Special Committee concerning the Tender Offer for Shares of the Company, establishing a structure to commence a full-scale examination regarding the Transactions, and the Tender Offeror for Shares of the Company was informed by the Company that it would engage in discussions and negotiations toward the implementation of the Transactions. Thereafter, the Tender Offeror for Shares of the Company conducted due diligence on the Company from mid-March to late June 2026.

In addition, after submitting the Letter of Intent to the Company, the Tender Offeror for Shares of the Company engaged in discussions with Nippon Steel from early February to early July 2026 regarding the scheme of the Transactions. It is said that the Tender Offeror for Shares of the Company and Nippon Steel initially discussed a scheme of executing a negotiated share repurchase from Nippon Steel after taking the Company Shares private, on the grounds that setting the price for share repurchase lower than the Tender Offer Price for Shares of the Company would make it possible to provide the general shareholders of the Company with an opportunity to sell their shares at a higher price through the Tender Offer for Shares of the Company, compared to the case where Nippon Steel tenders in the Tender Offer for Shares of the Company, which would serve the interests of the general shareholders of the Company; however, taking into account that, in the event that the Tender Offer for Share Repurchase is not conducted in the Transactions, and a negotiated share repurchase from Nippon Steel is executed after privatization, depending on the number of shares tendered in the Tender Offer for Shares of the Company and the ratio of the subsequent share consolidation, the applicable ratio under the dividends received income deduction system under the Corporation Tax Act for Nippon Steel, as the counterparty to such share repurchase, may decrease accordingly, they also engaged in discussions regarding a scheme in which the Company conducts a tender offer for share repurchase after the successful completion of the Tender Offer for Shares of the Company for the purpose of acquiring the Shares to Be Tendered for Share Repurchase. In considering the scheme of the Transactions, the Tender Offeror for Shares of the Company determined that the scheme of conducting the Tender Offer for Share Repurchase by the Company in addition to the Tender Offer for Shares of the Company targeting the Company Shares by the Tender Offeror for Shares of the Company, with a difference between the Tender Offer Price for Shares of the Company and the Tender Offer Price for Share Repurchase, is reasonable because: (i) by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price for Shares of the Company, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer for Shares of the Company, 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 for Shares of the Company, which serves the interests of general shareholders of the Company; and (ii) in the event that the Tender Offer for Share Repurchase is not conducted in the Transactions, and a negotiated share repurchase from Nippon Steel is executed after privatization, as mentioned above, depending on the number of shares tendered in the Tender Offer for Shares of the Company and the ratio of the subsequent share consolidation, the applicable ratio under the dividends received income deduction system under the Corporation Tax Act for Nippon Steel, as the counterparty to such share repurchase, may decrease accordingly, and conducting the Tender Offer for Share Repurchase allows the price for the Company’s acquisition of its own shares held by Nippon Steel to be set lower, and as a result, enables general shareholders of the Company to be provided with an opportunity to sell their shares at an even higher price through the Tender Offer for Shares of the Company. The Tender Offeror for Shares of the Company therefore examined the adoption of a structure in which the Tender Offer for Shares of the Company and the Tender Offer for Share Repurchase are conducted together.

On that basis, the Tender Offeror for Shares of the Company engaged in repeated discussions and negotiations with the Company regarding the terms and conditions of the Transactions, including the Tender Offer Price for Shares of the Company, and on June 29, 2026, after comprehensively taking into account the information obtained through the due diligence conducted by the Tender Offeror for Shares of the Company on 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 advisor to the Tender Offeror for Shares of the Company, and other factors, submitted to the Company and the Special Committee a proposal letter (the “First Proposal Letter”) stating that (i) it intends to adopt a structure in which the Tender Offer for Shares of the Company and the Tender Offer for Share Repurchase will be implemented together, (ii) the Tender Offer Price for Shares of the Company will be JPY 8,000 (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), (iii) the Tender Offer Price for Share Repurchase is undetermined as of the time of submission of the First Proposal Letter, and (iv) the minimum number of shares to be purchased will be set to the number of shares obtained by multiplying one unit of the Company Shares (100 shares) by the number of voting rights calculated by subtracting the number of voting rights pertaining to the Company Shares owned by the Tender Offeror for Shares of the Company and the number of voting rights pertaining to the Company Shares owned by Nippon Steel from two-thirds of the number of voting rights pertaining to the total number of issued shares of the Company after deducting the number of treasury shares owned by the Company. In response, on July 7, 2026, the Tender Offeror for Shares of the Company received a response from the Company and the Special Committee stating that, as a result of a comprehensive examination taking into account (a) the results of the analysis of the value of the Company Shares using the DCF Method by the third-party valuation institution of the Company and the third-party valuation institution of the Special Committee (including examination regarding the reflection of gains on vessel sales, unrealized gains and asset values of existing vessels, and inherent value in the vessel portfolio in the share value) and whether a fairness opinion would be issued by the third-party institution of the Special Committee, (b) historical market share price trends of the Company Shares, (c) comparison with the Liquidation Value (including examination regarding the feasibility of the Company's dissolution and liquidation), (d) premium levels in precedent transaction cases similar to the Transactions (specifically, successful tender offer cases aimed at taking listed companies that are equity-method affiliates private, announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and May 18, 2026), and (e) synergy effects expected to be realized through the execution of the Transactions, they requested a reconsideration of the terms of the proposal including the Tender Offer Price for Shares of the Company in the First Proposal Letter, and added that regarding the necessity of setting a minimum number of shares to be purchased that satisfies the so-called MoM level (note that MoM here refers to the benchmark number of shares exceeding the number corresponding to a majority (5,689,742 shares) of 11,379,482 shares, which is calculated by subtracting the number of Company Shares owned by the Tender Offeror for Shares of the Company as of today (4,324,725 shares) and the number of Company Shares owned by Nippon Steel as of today (7,861,280 shares) from the Benchmark Shares (23,565,487 shares)), they could not determine at that point that MoM was unnecessary.

In response to such response, on July 10, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the "Second Proposal Letter") proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 6,289, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 16, 2026, the Tender Offeror for Shares of the Company received from the Company and the Special Committee a written response requesting a reconsideration of the terms of the proposal, on the grounds that as a result of a comprehensive examination in light of (a) through (e) above, the Tender Offer Price for Shares of the Company set forth in the Second Proposal Letter could not be said to be fair to the general shareholders of the Company, together with a statement to the effect that regarding the minimum number of shares to be purchased, they could not determine at that point that MoM was unnecessary.

In response to such response, on July 17, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the "Third Proposal Letter") proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 6,774, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 21, 2026, the Tender Offeror for Shares of the Company received from the Company and the Special Committee a written response requesting a reconsideration, on the grounds that as a result of a comprehensive examination in light of (a) through (e) above, the Tender Offer Price for Shares of the Company set forth in the Third Proposal Letter could not be said to be fair to the general shareholders of the Company, together with a statement to the effect that regarding the minimum number of shares to be purchased, they could not determine at that point that MoM was unnecessary.

In response to such response, on the same day, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a proposal letter (the “Fourth Proposal Letter”) stating that a further price increase would be extremely difficult and, as a final proposal, proposing that the Tender Offer Price for Shares of the Company 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), that the Tender Offer Price for Share Repurchase be set at JPY 7,190, and that the minimum number of shares to be purchased remain unchanged from the contents of the First Proposal Letter. In response thereto, on July 23, 2026, the Tender Offeror for Shares of the Company received a written response from the Company and the Special Committee stating that, while they believed that the Tender Offer Price for Shares of the Company set forth in the Fourth Proposal Letter could be evaluated to a certain extent as a result of a comprehensive examination in light of (a) through (e) above, they requested a reconsideration of the Tender Offer Price for Shares of the Company and a response regarding the status of discussions with Nippon Steel concerning the Tender Offer Price for Share Repurchase, on the grounds that (i) regarding MoM, they believed a comprehensive examination was necessary and could not determine at that point that MoM was unnecessary, and (ii) there remained matters to be confirmed in order to examine and determine whether the Transactions could be said to be fair to general shareholders of the Company.

Meanwhile, the Tender Offeror for Shares of the Company, proceeding in parallel with discussions with Nippon Steel regarding the Tender Offer Price for Share Repurchase, proposed to Nippon Steel on July 24, 2026 that the Tender Offer Price for Shares of the Company be set at JPY 10,600 and that the Tender Offer Price for Share Repurchase be set at JPY 7,676, and on the same day, received notice from Nippon Steel that it would accept such proposal, on the condition that the Transactions be approved at the management committee meeting of Nippon Steel to be held on July 29, 2026.

Based on the foregoing, on July 25, 2026, the Tender Offeror for Shares of the Company submitted to the Company and the Special Committee a written response (the “Final Proposal Letter”) stating that a further price increase would be extremely difficult and, as a final proposal, on the premise of not setting MoM for the minimum number of shares to be purchased, proposing that the Tender Offer Price for Shares of the Company be set at 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 proposal date) and that the Tender Offer Price for Share Repurchase be set at JPY 7,676, while responding that such Tender Offer Price for Shares of the Company and Tender Offer Price for Share Repurchase are prices that have also been agreed to by Nippon Steel, subject to the approval of the Transactions at the management committee meeting of Nippon Steel to be held on July 29, 2026.

In response thereto, on July 28, 2026, the Tender Offeror for Shares of the Company received a letter (the “Response Letter Dated July 28”) from the Company and the Special Committee stating that, as a result of a comprehensive examination in light of (a) through (e) above, upon receipt of the Final Proposal Letter, the Special Committee plans to submit a report to the Company’s board of directors as of July 30, 2026 stating that the execution of the Transactions is considered fair to the general shareholders of the Company, and that the Company’s board of directors, respecting the contents of the Special Committee’s report to the maximum extent, plans to resolve to express its opinion at the meeting of its board of directors on July 31, 2026.

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

Thereafter, on July 30, 2026, the Tender Offeror for Shares of the Company was notified by the Company and the Special Committee that, in light of stock market trends as of that date, they confirmed that there was no change in the content of the opinion stated in the Response Letter Dated July 28, and that the Special Committee plans to submit a report to the Company’s board of directors as of July 31, 2026 stating that the execution of the Transactions is considered fair to the general shareholders of the Company.

Following the above negotiations, on July 31, 2026, the Tender Offeror for Shares of the Company decided to implement the Transactions with the Tender Offer Price for Shares of the Company set at JPY 10,600 and the Tender Offer Price for Share Repurchase set at JPY 7,676. Note that the Tender Offer Price for Shares of the Company and the Tender Offer Price for Share Repurchase are prices on the premise 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 in the event that Nippon Steel tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will be equal to (ii) the after-tax net proceeds per share in the event that Nippon Steel were to tender in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company. At the meeting of the board of directors held today, pursuant to the provisions of the Company's articles of incorporation under Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the Companies Act, the Company resolved to acquire its own shares and to conduct the Tender Offer for Share Repurchase as a specific method of such acquisition.

The Tender Offer Price for Share Repurchase is set at an amount such that the after-tax net proceeds per share in the event that Nippon Steel, which is scheduled to tender in the Tender Offer for Share Repurchase, tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will be equal to the after-tax net proceeds per share in the event that Nippon Steel were to tender in the Tender Offer for Shares of the Company at the Tender Offer Price for Shares of the Company, taking into account that the dividends received deduction with respect to deemed dividends provided for in the Corporation Tax Act is expected to be applicable to corporate shareholders of the Company in the Tender Offer for Share Repurchase. Note that the Tender Offeror for Shares of the Company assumes that shareholders of the Company other than Nippon Steel will tender their shares in the Tender Offer for Shares of the Company, rather than the Tender Offer for Share Repurchase.

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

Class of Share Certificates, etc.	Planned Number of Shares to Be Purchased	Planned Number of Excess Shares	Total
Common Stock	5,898,713 shares	— shares	5,898,713 shares

Note 1: In the Tender Offer for Share Repurchase, the maximum limit of the planned number of shares to be purchased is scheduled to be set at 5,898,713 shares (Ownership Ratio: 25.03%). While the above planned number of shares to be purchased indicates this maximum number, if the number of shares calculated by deducting the number of the Company Shares owned by the Tender Offeror for Shares of the Company, the number of treasury shares owned by the Company , and the number of Shares Not to Be Tendered for Share Repurchase from the total number of issued shares of the Company as of the commencement date of the settlement of the Tender Offer for Shares of the Company after the successful completion of the Tender Offer for Shares of the Company falls below 14,520,324 shares, such number of shares shall be the planned number of shares to be purchased, as it represents the number of shares circulating in the market. In addition, if the total number of share certificates, etc. tendered in the Tender Offer for Share Repurchase does not exceed the planned number of shares to be purchased (5,898,713 shares), the Company will purchase all of the tendered share certificates, etc. If the total number of share certificates, etc. tendered in the Tender Offer for Share Repurchase exceeds the planned number of shares to be purchased (5,898,713 shares), the Company will not purchase all or part of the excess portion, and will conduct the transfer and other settlement for the purchase of share certificates, etc. using the pro-rata method as provided in Article 27-13, Paragraph 5 of the Act, as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the Act, and Article 21 of the Cabinet Office Order (if the number of tendered share certificates, etc. of any tendering shareholder includes a fraction of less than one unit (100 shares), the number of shares to be purchased calculated using the pro-rata method will be capped at the number of tendered share certificates, etc. of such tendering shareholder).

Note 2: Shares of less than one unit are also subject to the Tender Offer for Share Repurchase. In addition, if a shareholder exercises the right to request the purchase of shares of less than one unit in accordance with the Companies Act, the Company may purchase its own shares during the Tender Offer Period for Share Repurchase in accordance with legal procedures.

(5) Funds Required for Purchases, etc.

JPY 45,278,520,988

Note: This is the purchase price in the event that all of the maximum limit of the planned number of shares to be purchased (5,898,713 shares) mentioned above are purchased.

(6) Method of Settlement

(A) Name and Location of Head Office of Financial Instruments Business Operators, Banks, etc. to Settle the Purchases, etc

Mizuho Securities Co., Ltd. 1-5-1 Otemachi, Chiyoda-ku, Tokyo

(B) Commencement Date of Settlement (Scheduled)

The commencement date of settlement is scheduled to be the day that is 16 business days after the last day of the Tender Offer Period for Share Repurchase. The specific schedule will be announced promptly once determined.

(D) Method of Settlement

Promptly after the end of the Tender Offer Period for Share Repurchase, a notice of purchase, etc. through the Tender Offer for Share Repurchase will be mailed to the address of the shareholders who tender their shares in the Tender Offer for Share Repurchase (the “Tendering Shareholders, etc.”) (or their standing proxies in the case of shareholders who are residents of foreign countries (including corporate shareholders; the “Foreign Shareholders”)). Purchases will be made in cash, and the purchase price, less the amount of withholding tax on the deemed dividend (Note), will be remitted by the tender offer agent to the place designated by the Tendering Shareholders, etc. (or their standing proxies in the case of Foreign Shareholders) or paid into the account of the Tendering Shareholders, etc. where the tender offer agent accepted the tender, promptly after the commencement date of settlement, in accordance with the instructions of the Tendering Shareholders, etc. (or their standing proxies in the case of Foreign Shareholders).

Note: The tax treatment for tendering shares in the Tender Offer for Share Repurchase is as follows: (*)

(i) Individual Shareholders

If the amount of money to be delivered for tendering in the Tender Offer for Share Repurchase exceeds the amount of the portion corresponding to the shares that caused the delivery out of the stated capital, etc. (in the case of a consolidated corporation, the amount of individual consolidated stated capital, etc.) of the share-issuing corporation which is the tender offeror, the exceeding portion (the “deemed dividend amount”) will be treated as income related to dividend income. In addition, the amount of the portion remaining after deducting the deemed dividend amount from the amount of money to be delivered will be deemed as income related to transfer income, etc. of shares.

If no deemed dividend amount arises, the entire amount of money to be delivered will be treated as income related to transfer income, etc. of shares.

As a general rule, an amount equivalent to 20.315% of the deemed dividend amount (income tax and the Special Reconstruction Income Tax under the "Special Measures Act for Securing the Necessary Financial Resources to Implement Measures for Reconstruction from the Great East Japan Earthquake" (Act No. 117 of 2011, as amended; the “Special Reconstruction Income Tax”): 15.315%, and resident tax: 5%) will be withheld at source (resident tax is not withheld for non-residents). However, if an individual shareholder falls under the category of a major shareholder, etc. as prescribed in Article 4-6-2, Paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957, as amended), an amount calculated by multiplying the deemed dividend amount by 20.42% (only income tax and Special Reconstruction Income Tax) will be withheld at source. In addition, as a general rule, the amount calculated by deducting acquisition costs, etc. for the shares from the income related to the transfer income, etc. of the shares will be subject to separate self-assessment taxation (as a general rule, non-residents who do not have a permanent establishment in Japan are not subject to this tax). If a shareholder tenders shares, etc. in a tax-free account as prescribed in Article 37-14 (Tax Exemption of Transfer Income, etc. on Small Amounts of Listed Shares, etc. in Tax-Free Accounts) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) in the Tender Offer for Share Repurchase, and the financial instruments business operator, etc. where the tax-free account is opened is Mizuho Securities Co., Ltd., the transfer income, etc. from the Tender Offer for Share Repurchase will, as a general rule, be tax-exempt. Note that the above treatment may differ if the tax-free account is opened at a financial instruments business operator, etc. other than Mizuho Securities Co., Ltd.

(ii) Corporate Shareholders

The deemed dividend amount will be treated as dividends, etc., and as a general rule, an amount calculated by multiplying that amount by 15.315% (income tax and Special Reconstruction Income Tax) will be withheld at source (withholding tax does not apply to corporate shareholders (limited to corporations having their head offices or principal offices in Japan (domestic corporations)) that directly hold more than one-third of the total number of issued shares (excluding treasury shares) of the tender offeror as of the record date for the payment of the deemed dividend amount). Out of the amount of money to be delivered, any amount other than the deemed dividend amount will be treated as the consideration for the transfer of securities.

(iii) Foreign Shareholders who are eligible for and wish to receive a reduction or exemption of income tax and Special Reconstruction Income Tax on the deemed dividend amount under an applicable tax treaty must submit a tax treaty notification to the tender offer agent by the last day of the Tender Offer Period for Share Repurchase.

(*) For specific tax-related questions, etc., please consult with tax advisors or other specialists and make your own judgment.

(7) Other Matters

(A) The Tender Offer for Share Repurchase is not being made, directly or indirectly, in or into the United States, or by using the U.S. mails or any other means or instrumentalities of interstate or international commerce (including, but not limited to, facsimile, e-mail, Internet communication, telex, and telephone), or through any facilities of a U.S. securities exchange. No tender may be made in the Tender Offer for Share Repurchase by any such means, instrumentality, or facility, or from within the United States. In addition, the tender offer registration statement or other related purchase documents for the Tender Offer for Share Repurchase are not being, and may not be, sent or distributed in, into, or from the United States by mail or any other method. Any tender in the Tender Offer for Share Repurchase that violates the above restrictions directly or indirectly will not be accepted. Upon tendering in the Tender Offer for Share Repurchase, Tendering Shareholders, etc. (or their standing proxies in the case of Foreign Shareholders) may be required to make the following representations and warranties to the tender offer agent: That the Tendering Shareholder, etc. is not located in the United States both at the time of tendering and at the time of sending the tender offer tender application; that the Tendering Shareholder, etc. has not, directly or indirectly, received or sent any information concerning the Tender Offer for Share Repurchase (including copies thereof) in, into, or from the United States; that the Tendering Shareholder, etc. has not, directly or indirectly, used the U.S. mails or any other means or instrumentalities of interstate or international commerce (including, but not limited to, facsimile, e-mail, Internet communication, telex, and telephone), or any facilities of a U.S. securities exchange, in connection with the purchase or the signature and delivery of the tender offer tender application; and that the Tendering Shareholder, etc. is not acting as a non-discretionary agent, trustee, or fiduciary for another person (unless such other person is giving all instructions regarding the purchase from outside the United States).

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

The Company announced the Financial Results on July 31, 2026. 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.

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

(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 performance	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
Net income per share:	JPY 259.31

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

(Reference) The Special Committee Report (Attachment 1)