



October 30, 2024

To: Whom it may concern

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Notice Regarding Share Consolidation, and Abolition of Provisions on Share Units and Partial Amendment to Articles of Incorporation

The Company hereby announces that it has resolved at the board of directors meeting held today (“Board of Directors Meeting”) to convene an extraordinary general meeting of shareholders to be held on November 28, 2024 (“EGM”) and to submit to the EGM a proposal regarding share consolidation as well as a proposal regarding abolition of the provisions on share units and partial amendment to the articles of incorporation.

Through the process of the above procedures, the common shares of the Company (“Company Shares”) will fall under the delisting standards provided in the Securities Listing Regulations of the Tokyo Stock Exchange (“TSE”). As a result, the Company Shares will be designated as securities to be delisted from November 28, 2024 to December 16, 2024, and will then be delisted on December 17, 2024. Please note that the Company Shares cannot be traded on the TSE Prime Market after the delisting.

I. Share consolidation

1. Purpose of and reasons for the share consolidation

As the Company announced in “Notice Regarding Expression of Opinion in Support of the Commencement of and Recommendation to Tender in the Tender Offer for Company’s Share Certificates etc. by LDEC, Ltd.” dated August 21, 2024 (“Opinion Press Release”), LDEC, Ltd. (“Tender Offeror”) conducted the tender offer (“Tender Offer”) for the Company Shares and the Share Options (Note 1), with the tender offer period running for 30 business days from August 22, 2024 to October 4, 2024 (“Tender Offer Period”).

As the Company announced in “Notice Regarding Results of the Tender Offer for the Company’s Share Certificates, Etc. by LDEC, Ltd. and Changes in the Parent Company and the Major Shareholder” dated October 5, 2024 (“Tender Offer Results Press Release”), as a result of the Tender Offer, the Tender Offeror has come to hold 16,328,000 shares of the Company Shares (including the shares to be issued upon exercise of the Share Options; Shareholding Ratio (Note 2): 45.96%) as of October 11, 2024, the commencement date of the settlement of the Tender Offer.

(Note 1) “Share Options” collectively refer to the following share options in (I) through (V).

- (I) Share option issued pursuant to the resolution of the Company’s board of directors meeting held on June 18, 2014 (“1st Series of Share Option”) (exercise period is from July 24, 2014 to July 23, 2054)
- (II) Share option issued pursuant to the resolution of the Company’s board of directors meeting held on June 17, 2015 (“2nd Series of Share Option”) (exercise period is from July 23, 2015 to July 22, 2055)
- (III) Share option issued pursuant to the resolution of the Company’s board of directors meeting held on

- June 21, 2016 (“3rd Series of Share Option”) (exercise period is from July 16, 2016 to July 15, 2056)
- (IV) Share option issued pursuant to the resolution of the Company’s board of directors meeting held on June 21, 2017 (“4th Series of Share Option”) (exercise period is from July 20, 2017 to July 19, 2057)
- (V) Share option issued pursuant to the resolution of the Company’s board of directors meeting held on June 20, 2018 (“5th Series of Share Option”) (exercise period is from July 21, 2018 to July 20, 2058)
- (Note 2) “Shareholding Ratio” means the ratio (rounded to two decimal places) to the number of shares (35,530,353 shares) calculated by: (i) adding the total number of the Company’s issued shares (35,501,000 shares) as of September 30, 2024, as described in the “Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)” (“Company’s Financial Results for the Six Months Ended September 30, 2024”) published by the Company as of today; and (ii) 35,558,400 shares, which is the aggregate of 9,400 shares of the Company Shares to be issued upon exercise of 47 of the 1st Series of Share Option, 6,600 shares of the Company Shares to be issued upon exercise of 33 of the 2nd Series of Share Option, 16,200 shares of the Company Shares to be issued upon exercise of 162 of the 3rd Series of Share Option, 14,300 shares of the Company Shares to be issued upon exercise of 143 of the 4th Series of Share Option, and 10,900 shares of the Company Shares to be issued upon exercise of 109 of the 5th Series of Share Option, all exercisable as of August 22, 2024; (iii) less the number of treasury shares held by the Company as of September 30, 2024 (28,047 shares), as described in the Company’s Financial Results for the Six Months Ended September 30, 2024. Hereinafter the same for the calculation of Shareholding Ratio.

As the Company announced in the Opinion Press Release, the Company was considering various management strategies to enhance its corporate value when it was notified by ALPS ALPINE CO., LTD. (“ALPS ALPINE”; the Tender Offeror and ALPS ALPINE are collectively referred to as “Tender Offeror Related Parties”) in early October 2023 that ALPS ALPINE was considering restructuring its capital relationship (“Capital Transactions”) which includes the sale of the Company Shares held by ALPS ALPINE (“ALPS ALPINE’s Shares”). Upon receiving this notice, the Company initiated discussions with ALPS ALPINE regarding the method of sale of ALPS ALPINE’s Shares and considered the pros and cons of implementing the Capital Transactions. Following these discussions, the Company held a meeting with ALPS ALPINE on November 10, 2023 to hear their opinions on the preconditions of the Capital Transactions and policies for the sale. Subsequently, the Company and ALPS ALPINE decided that it would be desirable to conduct a bidding process for the Capital Transactions (“Bidding Process”) targeting multiple candidates who are considered to have strong interest in the Company’s business and that the Company and ALPS ALPINE will conduct (i) taking the Company Shares private through a tender offer for the Company Shares by potential purchasers and the subsequent Squeeze-out Procedures, (ii) the Bidding Process based on the scheme that ALPS ALPINE continues to hold the Company Shares directly or indirectly in a certain level after the delisting of the Company Shares through the tender offer and the Squeeze-out Procedures. The conduction of the Bidding Process based on the schemes of (i) and (ii) above, upon discussions between the Company and ALPS ALPINE, the purpose of the Company is to maximize the Company’s shareholder value, realize a highly expeditious and flexible management strategy by privatizing the Company Shares and further accelerate the Company’s future growth through efficiently utilizing management resources, and the purpose of ALPS ALPINE is to maintain and develop its supply chain. Since the Company was already examining its own growth strategy including the possibility of a capital transaction, it had already appointed SMBC Nikko Securities Inc. (“SMBC Nikko Securities”) as a financial advisor and a third-party valuator independent of the Company and the Tender Offeror Related Parties, and Anderson Mori & Tomotsune (“Anderson Mori & Tomotsune”) as an external legal advisor. Therefore, upon considering the Capital Transactions, the Company received advice from SMBC Nikko Securities, the Company’s financial advisor, and Anderson Mori & Tomotsune, the Company’s legal advisor, respectively from early October 2023. After that, the Company and ALPS ALPINE commenced the

Bidding Process, which consists of the first-round bidding process for soliciting proposals regarding the Capital Transactions and the second-round bidding process (“Second-round Bidding Process”) for determining the final candidates for the Capital Transactions, from December 18, 2023. The Company, after undergoing the due diligence conducted by multiple candidates and the bidding process including discussions with each candidate, and as a result of comprehensive consideration on the details of each candidate’s proposal, on April 12, 2024, upon consulting with ALPS ALPINE as well, held discussions and considerations (including negotiations on the final tender offer price) with LOGISTEED, Ltd. (“LOGISTEED”), which presented the optimal final proposal among the respective candidates, toward implementing the Transactions.

In light of the fact that in the Capital Transactions, the candidate that will be ultimately selected as the purchaser and ALPS ALPINE (number of shares held: 17,318,800 shares, Shareholding Ratio: 48.74%; includes indirect ownership through ALPINE ELECTRONICS INC. (number of shares held: 792,000 shares, Shareholding Ratio: 2.23%); hereinafter the same), a wholly-owned subsidiary of ALPS ALPINE), the Company’s largest shareholder, are planned to conclude the master transaction agreement (“Master Transaction Agreement”) which includes the implementation of the Tender Offer, and that the interests of the Company’s minority shareholders and those of ALPS ALPINE may not necessarily coincide, as described in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below, from the standpoint of improving the corporate value and benefiting the interests of the minority shareholders by eliminating the arbitrariness in the Company’s decision-making in the Capital Transactions and in the course of selecting the candidate in the Bidding Process, the Company established the Special Committee (as defined in “(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee” in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below; hereinafter the same) on November 21, 2023, immediately after the commencement of consideration of the Capital Transactions, for the purpose of examining and making judgments on, among others, the appropriateness of the Capital Transactions, the appropriateness of the terms and conditions of the transactions including the structure thereof, and the fairness of the procedures including the process of selecting the purchaser (partner), and has been holding consultations with such Special Committee on the fairness, appropriateness, and so forth regarding the procedures in the Capital Transactions. In addition, upon taking each measures set forth in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below, the Company conducted careful discussions and examinations based on the details of the share valuation report which SMBC Nikko Securities, its financial advisor, submitted on May 8, 2024 (“Share Valuation Report (Nikko Securities)”) and the legal advice received from Anderson Mori & Tomotsune, its legal advisor, from the perspective of whether the Company may enhance its corporate value through the Transactions and whether the Transactions ensure the interests to be enjoyed by minority shareholders by being conducted through fair procedures, while maximally respecting the details of the report submitted by the Special Committee on May 8, 2024 (“Report”).

In other words, the Company comprehensively considered the further amended final proposal received from LOGISTEED on April 10, 2024 and the final proposals (“Amended Final Proposals”) which include the amended share valuation prices and tender offer prices received from the Second-round Candidates (as defined in “(I) Implementation of the bidding process” in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below; hereinafter the same) (excluding LOGISTEED) from the perspectives of: share valuation price; tender offer price; transaction schemes;

financing capability and financing preconditions; management strategy after the implementation of the Capital Transactions including growth strategy, financial strategy taking into consideration the maintenance of the Company's financial soundness, and the support systems therefor; management policies and other policies including the treatment of employees and the governance system and the like; certainty and other factors concerning the procedures for obtaining clearance and so forth under the competition laws and other applicable laws and regulations; and maximization of interests of the minority shareholders. Consequently, the Company reached a conclusion that the proposal presented by LOGISTEED is the optimum choice, and that implementing the Transactions with LOGISTEED will contribute to the future enhancement of its corporate value. More specifically, the Company determined that the proposal presented by LOGISTEED is optimal for the Company's shareholders because: (a) it presented the highest share valuation price and tender offer price in comparison with the other Second-round Candidates; (b) its scheme of the Transactions provided the Company's general shareholders with a reasonable opportunity to sell their Company Shares at a price with an appropriate premium; (c) its financing capability and financing preconditions were favorable when compared with the financing preconditions presented by the other Second-round Candidates; (d) its management strategy after the implementation of the Transactions including growth strategy, and financial strategy taking into consideration the maintenance of the Company's financial soundness were based on a deep understanding of the Company and its business, and also backed by the knowledge and resources of Kohlberg Kravis Roberts & Co. L.P. (together with its related companies and affiliated funds, "KKR"), an investment advisory company established in the State of Delaware, the United States, which holds all the issued shares of LOGISTEED Holdings, Ltd., which holds all the issued shares of LOGISTEED, and LOGISTEED along with KKR's strong commitment to the Japanese market and its extensive track record; (e) its management policies and other terms and conditions, including the treatment of employees and the governance system and the like, proposed to maintain the employment of the employees of the Company's group, and substantially maintain the terms and conditions of their employment, and the Company determined that the proposal presented by LOGISTEED as being superior when compared with those of the other Second-round Candidates; and (f) it showed more concrete measures concerning the procedures such as obtaining clearance under the competition laws and other applicable laws and regulations, making it more advantageous in terms of certainty to implement the Transactions. Thereupon, on April 12, 2024, after consulting with ALPS ALPINE as well, the Company commenced discussions and considerations with LOGISTEED toward implementing the Transactions.

After ongoing discussions and negotiations among the Company, ALPS ALPINE, and LOGISTEED regarding the implementation of the Transactions, on May 9, 2024, the Company, ALPS ALPINE, and LOGISTEED concluded a capital and business alliance agreement ("Capital and Business Alliance Agreement"), and ALPS ALPINE, the Tender Offeror, and LOGISTEED concluded the Master Transaction Agreement, respectively, and the Company submitted the Agreement to the Tender Offeror. Furthermore, as of the same date, the Company, LOGISTEED, and ALPS ALPINE agreed that the purchase price of the Tender Offer ("Tender Offer Price") be 5,774 Japanese yen, the total consideration for the Share Buyback (as defined below) be 70,721,712,072 Japanese yen, and that the Share Option Purchase Price be set at the amount obtained by multiplying the difference between the Tender Offer Price (5,774 Japanese yen) and the exercise price per Share Option by the number of Company Shares to be acquired per Share Option (1st Series Share Option: 1,154,600 Japanese yen, 2nd Series Share Option: 1,154,600 Japanese yen, 3rd Series Share Option: 577,300 Japanese yen, 4th Series Share Option: 577,300 Japanese yen, 5th Series Share Option: 577,300 Japanese yen).

In addition, from the following perspectives, the Company determined that the Tender Offer Price of 5,774 Japanese yen per share is a reasonable price that secures the interests of the general shareholders of the Company, and the other terms and conditions of the Tender Offer are fair, and thus, the Tender Offer provides a reasonable opportunity to the Company's general shareholders to sell their Company Shares at a price that includes an appropriate premium.

- (a) Such price is the price agreed upon after extensive negotiations with LOGISTEED, which was the highest price in comparison to the share valuation price and the tender offer price offered by other Second-round Candidates that participated in the Second-round Bidding Process;
- (b) Such price is the price agreed upon after extensive negotiations with LOGISTEED, with substantial involvement of the Special Committee, and after sufficient measures have been taken by the Company to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price described in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below;
- (c) Of the valuation results of the share value of the Company Shares conducted by SMBC Nikko Securities in the Share Valuation Report (Nikko Securities) described in “(I) Obtainment of share valuation report from the Company’s independent financial advisor and third-party calculation agent” in “(3) Matters concerning calculation” in “3. Details of, and grounds and reasons for the opinion on the Tender Offer” of the Opinion Press Release, such price exceeds the valuation results obtained by using the market share price method and comparable listed company analysis method, and exceeds the median of the range of valuation results obtained by using the discount cash flow method (“DCF Method”);
- (d) The price respectively includes a premium of 194.89% on the closing price (1,958 Japanese yen) of the Company Shares on the TSE on February 27, 2024, the day immediately preceding the day on which speculative reports were made by certain media organizations regarding the implementation of the Bidding Process by the Company (February 28, 2024) that triggered the fluctuation of the share price of the Company Shares, a premium of 208.02% on the simple average closing price of the Company Shares for the past one month (1,875 Japanese yen), a premium of 230.96% on the simple average closing price of the Company Shares for the past three months (1,745 Japanese yen), a premium of 245.17% on the simple average closing price of the Company Shares for the past six months (1,673 Japanese yen), and the price respectively includes a premium of 51.35% on the closing price (3,815 Japanese yen) of the Company Shares on the TSE on May 8, 2024, the day immediately preceding the day of announcement of the implementation of the Tender Offer by the Company, a premium of 81.79% on the simple average closing price of the Company Shares for the past one month (3,176 Japanese yen), a premium of 113.44% on the simple average closing price of the Company Shares for the past three months (2,705 Japanese yen), a premium of 164.55% on the simple average closing price of the Company Shares for the past six months (2,183 Japanese yen);
- (e) Although the tender offer period is set at 30 business days in the Transaction, the period between the announcement of the scheduled commencement of the Tender Offer and the actual commencement of the Tender Offer will be long, and therefore, the opportunity for general shareholders to make appropriate decisions on their tenders in the Tender Offer and the opportunity for parties other than the Tender Offeror to purchase the Company Shares are ensured;
- (f) Although the minimum number of shares to be purchased in the Tender Offer falls short of the number of shares to be purchased corresponding to so-called “Majority of Minority,” as other sufficient measures to ensure fairness have been taken in the Transaction, it is considered that the fact that the minimum number of shares to be purchased is not set at so-called “Majority of Minority” does not impair the fairness of the Tender Offer;
- (g) The money to be paid to shareholders in the Transaction as consideration at the time of the Share Consolidation (as defined below) is planned to be calculated so that it will be equal to the Tender Offer Price multiplied by the number of the Company Shares owned by each such shareholder (provided, however, that the Company and the Tender Offeror are excluded), and therefore, consideration has been given to ensure the opportunity for general shareholders to make appropriate decisions as to whether or

not to tender in the Tender Offer, thereby preventing any coerciveness from arising;

- (h) The acquisition of the Non-tendered Shares (Note) held by ALPS ALPINE as of the effective date of the Share Consolidation (number of shares held: 17,318,800 shares, Shareholding Ratio: 48.74%) to be conducted by the Company subject to the Share Consolidation coming into effect (“Share Buyback”): (i) enables the Company’s minority shareholders and the Share Option Holders to increase their profits by providing them with more advantageous selling opportunities by allocating them with more funds necessary for the acquisition of all the Company Shares and the Share Options through setting the Tender Offer Price higher than the Treasury Share Acquisition Price, and (ii) in light of the fact that the Treasury Share Acquisition Price is expected to be subject to the provisions for exclusion of deemed dividends from gross profits as set forth in the Corporation Tax Act, even when the theoretical benefit from such taxation system available to ALPS ALPINE is taken into consideration to the maximum extent, the after-tax amount to be received by ALPS ALPINE from the Share Buyback is equivalent to the after-tax amount to be received by ALPS ALPINE if it tendered in the Tender Offer; and
- (i) As described in “(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee” in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below, the Tender Offer Price and other terms and conditions of the Tender Offer are deemed to be appropriate even in the Report procured from the Special Committee.

(Note) “Non-tendered Shares” collectively means the Company Shares owned by ALPS ALPINE as of August 21, 2024 (number of shares held: 16,526,800 shares, Shareholding Ratio: 46.51%) and the Company Shares owned by ALPINE ELECTRONICS INC. as of August 21, 2024 (number of shares held: 792,000 shares, Shareholding Ratio: 2.23%) (number of shares held: 17,318,800 shares, Shareholding Ratio: 48.74%).

Furthermore, under the business environment described in “(i) Business environment surrounding the Company” in “(II) Background to, the purpose of, and the decision-making process of, the resolution to conduct the Tender Offer” in “(2) Grounds and reasons for the opinion on the Tender Offer” in “3. Details of, and grounds and reasons for the opinion on the Tender Offer” of the Opinion Press Release, the Company determined that in order to realize its visions at an early point, it is necessary to not only expedite the decision-making, but also cooperate and co-create with partners that complement the organizational capability which enhance the Company’s corporate competitiveness, such as obtaining investment funds to enable flexible business investment, and introducing external knowledge. The Company also decided that advancing its strategies and measures together with LOGISTEED and ALPS ALPINE, which have an understanding of the Company and its businesses, knowledge and resources to support the enhancement of corporate value over the medium- to long-term, and a strong commitment to the Japanese market and rich track record, through the capital business alignment with them, along with going private, will realize the enhancement of the Company’s corporate value. Specifically, the Company believes that the capital and business alliance with LOGISTEED and ALPS ALPINE will enable the Company to realize the synergies described in (A) through (D) below.

(A) Expansion of markets and products by utilizing the customer base of the Tender Offeror Group

The Tender Offeror Group is a leading logistics company in Japan, with 3PL (Note 1) sales of 497.9 billion Japanese yen in fiscal 2022, and has a strong customer base in a wide range of industries including automobiles, industrial equipment, semiconductors, consumer products, distribution, food, pharmaceuticals, and cosmetics. The Company believes that by utilizing such customer base of the Tender Offeror Group, it will become possible to expand sales in existing areas and also expand business areas, both in the electronic components logistics field and consumer products logistics field of the

Company's group.

(B) Strengthening of domestic business by utilizing and cooperating with the domestic distribution network of the Tender Offeror Group

It is understood that the Tender Offeror Group not only operates 23 companies and 334 bases in Japan (as of March 31, 2024) and has logistic bases all over Japan, but is also working to strengthen the transportation business through efforts such as reinforcing its private vehicles and strengthening partnerships with transportation cooperation companies. In the electronic components logistics field of the Company's group, since the logistic bases and transportation and distribution networks in Japan are mostly located in eastern Japan, the Company believes that it will become possible to strengthen its sales base by utilizing the logistics bases and transportation and distribution networks which the Tender Offeror Group has in western Japan and the Kyushu area. In addition, the Company believes that, through the Transactions, it will become possible to improve the efficiency of the domestic network, including in the consumer products logistics field, such as improving the utilization rate by the mutual use of logistics bases and improving the capacity fulfillment rate by the joint use of transportation and distribution.

(C) Strengthening of overseas business by utilizing and cooperating with the overseas distribution network of the Tender Offeror Group

It is understood that the Tender Offeror Group operates 72 companies and 471 bases in North America, Europe, Asia, China, and other countries (as of March 31, 2024), and is engaged in businesses overseas including 3PL and forwarding, and its overseas businesses account for approximately 40% of the total sales of the entire Tender Offeror Group. The Company believes that in the electronic components logistics field of the Company's group, by utilizing these overseas base network of the Tender Offeror Group and by aligning the same with the overseas base network of the Company, it will become possible to strengthen the logistics business in the respective overseas countries, expand Global One Channel Services (Note 2), and attract non-Japanese customers. In terms of forwarding, the Company believes that by cooperating with the Tender Offeror Group, it will become possible to strengthen its procurement capabilities, including cargos to and from Japan.

(D) Reduction of listing maintenance cost and workload of the administrative division

The Company's system and operational burden for maintaining listing have increased year by year in order to comply with the recent listing maintenance criteria for the new market divisions, the revised Corporate Governance Code, and so forth. We believe that privatizing the Company Shares through the Transactions will mitigate such costs and workload.

(Note 1) "3PL" stands for "Third party logistics." It refers to the business of planning the most efficient logistics strategy and proposing the establishment of logistics system on behalf of the consignor company and accepting and implementing the same comprehensively.

(Note 2) "Global One Channel Service" is the name of the Company's proprietary service that provides a package of various services for import and export including collection of packages, management of the same at warehouses, export operation, customs clearance, cargo handling, temporary storage at the local site, and transportation of the packages to the delivery destinations.

In general, the disadvantages associated with going private are that companies will be unable to conduct financing through equity financing from the capital market and that they will be unable to enjoy the benefits of being a listed company, such as increased name recognition and social credibility, in the future. However, in terms

of financing, considering the Company's current financial situation and the recent low interest rate environment in indirect financing, it is possible to secure funds through equity capital and borrowings from financial institutions, and financing through equity financing is not highly necessary at least for the time being, and it is possible to increase name recognition and social credibility through sincere execution of business. Therefore, the Company believes that the disadvantages of taking its shares private is limited.

Based on the above, the Company resolved at the board of directors meeting held on May 9, 2024, that the opinion of the Company as of the same date is that once the Tender Offer is commenced, the Company will express its opinion that it is in support of the Tender Offer, and that the Company will recommend that the shareholders and the Share Option Holders of the Company tender their shares in the Tender Offer.

Furthermore, the Tender Offer is scheduled to commence promptly upon satisfaction of (or the Tender Offeror's waiver of) the conditions precedent ("Conditions Precedent") provided in the Master Transaction Agreement executed between the Tender Offeror and ALPS ALPINE as of May 9, 2024, which provides that the Tender Offeror acquires the Company's share certificates, etc. through the Tender Offer and, as of May 9, 2024, the Company was aiming to commence the Tender Offer around mid-August 2024, however, it is difficult to accurately estimate the period of time required for procedures especially with respect to overseas competition authorities. Accordingly, the Company resolved, at the board of directors meeting above, when the Tender Offer commences, to examine whether there are any changes to the opinion expressed by the Special Committee to the Company's board of directors on May 8, 2024, and to request the Company's board of directors, if there are no changes, to state to that effect, and if there are any changes, to express its new opinion, and based on such opinion of the Special Committee, to once again express its opinion regarding the Tender Offer as of the time of commencement of the Tender Offer.

Thereafter, on July 24, 2024, the Company was informed by the Tender Offeror that (i) the procedures and measures required under domestic and foreign (Japan, China, EU, Korea and Vietnam) competition laws ("Procedures by Authorities") other than the procedures and measures required under the competition laws of Vietnam ("Procedures by Vietnamese Authorities") are expected to complete by mid-August 2024, (ii) regarding the Procedures by Vietnamese Authorities, even if the Tender Offer is commenced at the scheduled time as disclosed in the Tender Offeror's Press Release Dated May 9, 2024, it has become highly likely that a waiting period of 30 days required for the initial review by the competition commission of Vietnam will have elapsed and the Procedures by Vietnamese Authorities will be completed by October 3, 2024, which is the day immediately before the date of expiration of the tender offer period, and thus, of (VII) of the Conditions Precedent, the Tender Offeror expects to waive the condition that the acquisition of clearance for the Procedures by Vietnamese Authorities has been completed, and, (iii) based on such assumption, the Tender Offeror expects to commence the Tender Offer from August 22, 2024. Then, on August 16, 2024, the Company was informed by the Tender Offeror that (i) the Procedures by Authorities other than the Procedures by Vietnamese Authorities have been completed, (ii) of (VII) of the Conditions Precedent, the Tender Offeror waives the condition that the acquisition of clearance for the Procedures by Vietnamese Authorities has been completed, and (iii) subject to the satisfaction of the Conditions Precedent (or the waiver of the Conditions Precedent by the Tender Offeror), the Tender Offeror plans to commence the Tender Offer from August 22, 2024. In response, on August 20, 2024, the Company requested the Special Committee to examine whether there are any changes to its opinions expressed to the Company's board of directors as of May 8, 2024, and if there are no changes, to inform the Company's board of directors to that effect, and if there are any changes, to express to the Company's board of directors its new opinions. To this, on August 20, 2024, the Special Committee submitted a report ("Report dated August 20, 2024"; for an overview of the Report dated August 20, 2024 and specific details of the Special Committee's activities, please refer to "(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee" in "(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest"

in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below) to the effect that it considers that it is not necessary to change the details of the report that it had made to the Company’s board of directors on May 8, 2024. Based on the details of such report as well as various factors including the business performance of the Company and the changes in the market environment since the board of directors meeting held on May 9, 2024, the Company again carefully discussed and examined the details of the terms and conditions concerning the Tender Offer.

As a result, the Company came to believe that, even as of August 21, 2024, engaging in the Transactions will contribute to the enhancement of the corporate value of the Company, and that the purposes of the Transactions, and the significance and necessity of achieving its purposes will not be diminished, and that there are no factors to change the Company’s decision regarding the Tender Offer as of May 9, 2024, and thus, at the board of directors meeting held August 21, 2024, resolved to, again, express its opinion in support of the Tender Offer and recommend that the Company’s shareholders and the Share Option Holders tender their shares in the Tender Offer. Furthermore, the Company made a report to the Tender Offeror August 21, 2024 that, as of August 21, 2024, there are no material facts regarding the business of the Company that have not been disclosed.

For details of the resolution of the Company’s board of directors meeting, please refer to “(VIII) Receipt of unanimous approval of all directors of the Company (including directors who are members of audit and supervisory committee)” in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below.

Thereafter, the Tender Offer was consummated as aforementioned, but since the Tender Offeror was unable to acquire all of the Company Shares (excluding the Non-tendered Shares and the treasury shares held by the Company) through the Tender Offer, the Company resolved, as stated in the Opinion Press Release, to propose to the EGM to consolidate 3,463,760 shares of the Company Shares into one share (“Share Consolidation”) as described in “(2) Details of the share consolidation” in “2. Overview of the share consolidation” below, in order to make the Tender Offeror Related Parties the only shareholders of the Company.

As a result of the Share Consolidation, the number of shares of the Company Shares held by the shareholders other than the Tender Offeror Related Parties is presumed to become a fraction of less than one share.

For details of the Transactions, please refer to the Opinion Press Release and the Tender Offer Results Press Release.

2. Overview of the share consolidation

(1) Schedule of the share consolidation

(I) Date of public notice of the record date of the extraordinary general meeting of shareholders	September 26, 2024 (Thursday)
(II) Record date of the extraordinary general meeting of shareholders	October 11, 2024 (Friday)
(III) Date of resolution of the board of directors meeting	October 30, 2024 (Wednesday)
(IV) Date of the extraordinary general meeting of shareholders	November 28, 2024 (Thursday) (scheduled)
(V) Date of designation as securities to be delisted	November 28, 2024 (Thursday) (scheduled)
(VI) Last day of purchase and sales of the Company Shares	December 16, 2024 (Monday) (scheduled)
(VII) Date of delisting of the Company Shares	December 17, 2024 (Tuesday) (scheduled)

(VIII) Effective date of the share consolidation	December 19, 2024 (Thursday) (scheduled)
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(2) Details of the share consolidation

(I) Class of shares to be consolidated

Common shares

(II) Consolidation ratio

3,463,760 shares of the Company Shares will be consolidated into one share.

(III) Total number of issued shares to be reduced

35,472,943 shares

(IV) Total number of issued shares before the effectuation

35,472,953 shares

(Note) Since the Company resolved at the Board of Directors Meeting to cancel 28,047 shares of its treasury shares (representing all of the treasury shares held by the Company as of October 11, 2024) as of December 18, 2024, the “total number of issued shares before the effectuation” indicates the total number of issued shares after such cancellation. Such cancellation of treasury shares is subject to the proposal regarding the Share Consolidation being approved and adopted as originally proposed at the EGM.

(V) Total number of issued shares after the effectuation

10 shares

(VI) Total number of authorized shares as of the effectuation date

40 shares

(VII) Method of treatment in case where fractions of less than one share occur and the amount of money expected to be delivered to the shareholders due to such treatment

(a) Which of the treatments the Company intends to implement under Article 234, Paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, Paragraph 1 or Paragraph 2 of the same act, and the reasons therefor

As described in “1. Purpose of and reasons for the share consolidation” above, due to the Share Consolidation, the number of shares of the Company Shares held by the shareholders other than the Tender Offeror Related Parties is presumed to become a fraction of less than one share. With respect to the fractions of less than one share resulting from the Share Consolidation, the Company will sell the number of shares equivalent to the total number of such fractions (in case where such total number constitutes a fraction of less than one share, such fraction will be rounded down) and deliver the proceeds from such sale to the shareholders in proportion to the fractions attributable to each shareholder. With respect to such sale, the Company intends to sell the Company Shares to the Tender Offeror upon obtaining permission from the court in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same act, because the Share Consolidation is being conducted as part of the Transactions, the purpose of which is to make the Tender Offeror Related Parties the only shareholders of the Company, and also because the Company Shares are presumed to be delisted as of December 17, 2024, and there is less

possibility that a purchaser for shares that have no market price to appear in the auction.

Subject to the obtainment of the aforementioned permission from the court as scheduled, the Company plans to set the sales price in such case at such a price that the amount of money obtained by multiplying the number of shares of the Company Shares held by the shareholders listed in the Company's final shareholder register as of December 18 2024, the day immediately preceding the effective date of the Share Consolidation, by 5,774 Japanese yen, which is the same amount as the Tender Offer Price, will be delivered. Provided, however, that the actual amount to be delivered may differ from the said amount in the events including where the permission from the court cannot be obtained or where calculational adjustment of fractions is required.

- (b) Name of the party expected to purchase the shares to be sold
LDEC, Ltd.

- (c) Method of securing funds for the payment of the sale price by the party which is expected to purchase the shares to be sold, and appropriateness of such method

The Tender Offeror intends to secure the funds required for the acquisition of the Company Shares that is equivalent to the total number of fractions occurring from the Share Consolidation, by contribution and loan from LOGISTEED. The Company has confirmed the method in which the Tender Offeror intends to secure the funds by confirming the certificate of financing dated August 20, 2024 concerning the contribution and loan from LOGISTEED, which was submitted as an accompanying document to the Tender Offer Registration Statement for the Tender Offer. In addition, according to the Tender Offeror, no event has occurred that may cause interference to the payment of the sale price of the Company Shares that is equivalent to the total number of fractions of less than one share resulting from the Share Consolidation, nor the Tender Offeror is aware of any possibility that such an event will occur.

Based on the foregoing, the Company believes that the Tender Offeror's method to secure the funds for the payment of the sales price of the Company Shares that is equivalent to the total number of fractions of less than one share is appropriate.

- (d) Prospected time of sale and the time of delivery of the sale proceeds to the shareholders

The Company plans to file, around late December 2024, a petition with the court pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same act, seeking permission for the Company to sell the Company Shares that is equivalent to the total number of fractions of less than one share resulting from the Share Consolidation and the Tender Offeror to purchase such Company Shares. While the timing for obtaining such permission may vary depending on, among other factors, the circumstances of the court, the Company expects to, upon obtaining such permission of the court, sell such Company Shares by way of purchase by the Tender Offeror around mid-to late January 2025, and then deliver the proceeds from such sale to the shareholders around early to mid-March 2025, after completing the necessary preparations to deliver such sale proceeds to the shareholders.

Taking into account the period of time required for the series of procedures from the effective date of the Share Consolidation to the sale, the Company has determined that the sale of the Company Shares that is equivalent to the total number of fractions of less than one share resulting from the Share Consolidation and the distribution of the proceeds from such sale to

the shareholders will take place at the respective times as described above.

3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation

(1) Basis and reasons for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares

(I) Matters that were given due consideration so as not to harm the interests of the shareholders other than the parent company, in cases where there is a parent company

The Share Consolidation will be conducted as the second step procedure for the so-called two-step acquisition after the Tender Offer. As of both May 9, 2024, when the Tender Offeror announced its intention to implement the Tender Offer, and as of August 21, 2024, when the Tender Offeror announced the commencement of the Tender Offer, the Company was not a subsidiary of the Tender Offeror and the Tender Offer does not constitute a tender offer by the controlling shareholder. However, given that the Capital Transactions were proposed by ALPS ALPINE, the largest shareholder owning 17,318,800 shares of the Company Shares (Shareholding Ratio: 48.74%) as of May 9, 2024, when the Tender Offeror announced its intention to implement the Tender Offer, and as of August 21, 2024, when the Tender Offeror announced the commencement of the Tender Offer, and the interests of ALPS ALPINE and the minority shareholders of the Company may not necessarily coincide, the Company and the Tender Offeror Related Parties implemented the respective measures listed in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” below in the course of the Capital Transactions including the Tender Offer from the viewpoint of ensuring the fairness of the Tender Offer from the stage of the Tender Offer, eliminating the arbitrariness in decision-making with regard to the Capital Transactions, ensuring the fairness, transparency, and objectivity of the decision-making process, and avoiding any potential conflicts of interest.

(II) Method of treatment of fractions of less than one share, as well as the amount of money expected to be delivered to the shareholders due to such treatment and matters regarding the appropriateness of such amount

The amount of money expected to be delivered to the shareholders due to the treatment of fractional shares is, as described in “(VII) Method of treatment in case where fractions of less than one share occur and the amount of money expected to be delivered to the shareholders due to such treatment” in “(2) Details of the share consolidation” in “2. Overview of the share consolidation” above, planned to be the amount obtained by multiplying the number of shares of the Company Shares held by the shareholders by 5,774 Japanese yen, which is the same amount as the Tender Offer Price.

The Company determined from the following perspectives that the Tender Offer Price of 5,774 Japanese yen per share is a reasonable price that secures the interests of the general shareholders of the Company, and the other terms and conditions of the Tender Offer are fair, and thus, the Tender Offer provides a reasonable opportunity to the Company’s general shareholders to sell their Company Shares at a price that includes an appropriate premium.

- (a) Such price is the price agreed upon after extensive negotiations with LOGISTEED, which was the highest price in comparison to the share valuation price and the tender offer price offered by other Second-round Candidates that participated in the Second-round Bidding Process;
- (b) Such price is the price agreed upon after extensive negotiations with LOGISTEED, with substantial involvement of the Special Committee, and after sufficient measures have been taken by the Company to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price described in “(3) Measures to ensure the fairness of the

Transactions and measures to avoid conflicts of interest” below;

- (c) Of the valuation results of the share value of the Company Shares conducted by SMBC Nikko Securities in the Share Valuation Report (Nikko Securities) described in “(IV) Obtainment of share valuation report from the Company's independent financial advisor and third-party calculation agent” in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” below, such price exceeds the valuation results obtained by using the market share price method and comparable listed company analysis method, and exceeds the median of the range of valuation results obtained by using the DCF Method;
- (d) The price respectively includes a premium of 194.89 % on the closing price (1,958 Japanese yen) of the Company Shares on the TSE on February 27, 2024, the day immediately preceding the day on which speculative reports were made by certain media organizations regarding the implementation of the Bidding Process by the Company (February 28, 2024) that triggered the fluctuation of the share price of the Company Shares, a premium of 208.02 % on the simple average closing price of the Company Shares for the past one month (1,875 Japanese yen), a premium of 230.96 % on the simple average closing price of the Company Shares for the past three months (1,745 Japanese yen), a premium of 245.17 % on the simple average closing price of the Company Shares for the past six months (1,673 Japanese yen), and the price respectively includes a premium of 51.35 % on the closing price (3,815 Japanese yen) of the Company Shares on the TSE on May 8, 2024, the day immediately preceding the day of announcement of the implementation of the Tender Offer by the Company, a premium of 81.79 % on the simple average closing price of the Company Shares for the past one month (3,176 Japanese yen), a premium of 113.44 % on the simple average closing price of the Company Shares for the past three months (2,705 Japanese yen), a premium of 164.55 % on the simple average closing price of the Company Shares for the past six months (2,183 Japanese yen);
- (e) Although the tender offer period is set at 30 business days in the Transaction, the period between the announcement of the scheduled commencement of the Tender Offer and the actual commencement of the Tender Offer will be long, and therefore, the opportunity for general shareholders to make appropriate decisions on their tenders in the Tender Offer and the opportunity for parties other than the Tender Offeror to purchase the Company Shares are ensured;
- (f) Although the minimum number of shares to be purchased in the Tender Offer falls short of the number of shares to be purchased corresponding to so-called “Majority of Minority,” as other sufficient measures to ensure fairness have been taken in the Transaction, it is considered that the fact that the minimum number of shares to be purchased is not set at so-called “Majority of Minority” does not impair the fairness of the Tender Offer;
- (g) The money to be paid to shareholders in the Transaction as consideration at the time of the Share Consolidation is planned to be calculated so that it will be equal to the Tender Offer Price multiplied by the number of the Company Shares owned by each such shareholder (provided, however, that the Company and the Tender Offeror are excluded), and therefore, consideration has been given to ensure the opportunity for general shareholders to make appropriate decisions as to whether or not to tender in the Tender Offer, thereby preventing any coerciveness from arising;
- (h) The Share Buyback: (i) enables the Company’s minority shareholders and the Share Option Holders to increase their profits by providing them with more advantageous selling opportunities by allocating them with more funds necessary for the acquisition of all the Company Shares and the Share Options through setting the Tender Offer Price higher than the

Treasury Share Acquisition Price, and (ii) in light of the fact that the Treasury Share Acquisition Price is expected to be subject to the provisions for exclusion of deemed dividends from gross profits as set forth in the Corporation Tax Act, even when the theoretical benefit from such taxation system available to ALPS ALPINE is taken into consideration to the maximum extent, the after-tax amount to be received by ALPS ALPINE from the Share Buyback is equivalent to the after-tax amount to be received by ALPS ALPINE if it tendered in the Tender Offer; and

- (i) As described in “(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee” in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” below, the Tender Offer Price and other terms and conditions of the Tender Offer are deemed to be appropriate even in the Report procured from the Special Committee.

In addition, the Company has confirmed that no material changes have occurred to the terms and conditions that form the basis of the calculation of the Tender Offer Price from when the resolution was passed at the board of directors meeting held on August 21, 2024 to express its opinion in support of the Tender Offer and to recommend the Company’s shareholders and the Share Option Holders to tender in the Tender Offer up to when the Board of Directors Meeting resolved to convene the EGM.

Based on the above, the Company determined that the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares is reasonable.

- (III) Disposal of important assets, assumption of major liabilities, and any other events having a material impact on the status of the company assets occurring at the Company after the last day of the latest business year

- (a) The Tender Offer

As described in “1. Purpose of and reasons for the share consolidation” above, as a result of the Tender Offer which the Tender Offeror conducted with the Tender Offer Period running from August 22, 2024 to October 4, 2024, the Tender Offeror came to hold 16,328,000 shares of the Company Shares (Shareholding Ratio: 45.96%) as of October 11, 2024, the commencement date of the settlement of the Tender Offer.

- (b) Cancellation of treasury shares

The Company resolved at the Board of Directors Meeting to cancel 28,047 shares of its treasury shares (representing all of the treasury shares held by the Company as of October 11, 2024) as of December 18, 2024. Such cancellation of treasury shares is subject to the proposal regarding the Share Consolidation being approved and adopted as originally proposed at the EGM. The total number of issued shares of the Company after the cancellation will be 35,472,953 shares.

(2) Likelihood of delisting

(I) Delisting

As described in “1. Purpose of and reasons for the share consolidation” above, subject to the approval by the shareholders at the EGM, the Company intends to implement the Share Consolidation and make the Tender Offeror Related Parties the only shareholders of the Company after the implementation of the Transactions. Consequently, the Company Shares is presumed to be delisted through prescribed procedures in accordance with the delisting standards of the TSE.

As to the schedule, the Company Shares is presumed to be designated as securities to be delisted from November 28, 2024 to December 16, 2024, and then be delisted on December 17, 2024. After the delisting, the Company Shares can no longer be traded on the TSE Prime Market.

(II) Reasons for the delisting

As described in “1. Purpose of and reasons for the share consolidation” above, the Company determined that implementing the Transactions between the Tender Offer Related Parties and the Company will enable the Company to anticipate generation of synergies that are described in “1. Purpose of and reasons for the share consolidation” above, leading to enhance the corporate value of the Company’s group.

(III) Impact on minority shareholders and the Company’s opinion thereon

As described in “(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee” in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” below, the Company has obtained a report stating that the determination to implement the Capital Transactions (to be defined in “A. Details of the report” in “(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee” in “(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” below; hereinafter the same) is not considered to be disadvantageous to the Company’s minority shareholders. In addition, on August 20, 2024, the Company requested the Special Committee to consider whether or not the opinion it expressed to the board of directors of the Company as of May 8, 2024 has changed, and if it has not, to inform the board of directors of the Company to that effect, and if it has changed, to state its changed opinion. To this, the Special Committee submitted a report dated August 20, 2024 to the effect that it considers that it is not necessary to change the details of the report that it had made to the board of directors of the Company on May 8, 2024.

(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest

Both as of May 9, 2024, when the Tender Offeror announced its intent to implement the Tender Offer, and as of August 21, 2024 when the Company announced the commencement of the Tender Offer, the Company is not a subsidiary of the Tender Offeror and the Tender Offer does not constitute a tender offer by the controlling shareholder. However, given that the Capital Transactions were proposed by ALPS ALPINE, the largest shareholder owning 17,318,800 Company Shares (Shareholding Ratio: 48.74%) as of May 9, 2024, when the Tender Offeror announced its intent to implement the Tender Offer, and as of August 21, 2024 when the Company announced the commencement of the Tender Offer, and the interests of ALPS ALPINE and the minority shareholders of the Company may not necessarily coincide, the Company and the Tender Offeror Related Parties implemented the measures listed in (I) to (X) below in the course of the Capital Transactions including the Tender Offer from the viewpoint of ensuring the fairness of the Tender Offer from the stage of the Tender Offer, eliminating the arbitrariness of decision making with regard to the Capital Transactions, ensuring the fairness, transparency and objectivity of decision making process, and avoiding any potential conflicts of interest. Of the following descriptions, the descriptions on the measures implemented by the Tender Offeror are based on the explanations received from the Tender Offeror. In addition, in view of the fact that there are 17,318,800 Non-tendered Shares (Shareholding Ratio: 48.74%), the Tender Offeror believes that setting the minimum number of shares to be purchased by the so-called “Majority of Minority” in the Tender Offer may make the consummation of the Tender Offer unstable and may not be contribute to the interests of the minority shareholders who wish to tender for the Tender Offer. Thus, the Tender Offeror has not set the minimum number of shares to be purchased by the so-called “Majority of Minority” in the Tender Offer. However, since the measures of (I) to (X) below have been taken

by the Company and the Tender Offeror, the Tender Offeror believes that sufficient consideration is given to the interests of the Company's minority shareholders.

(I) Implementation of the bidding process

As stated in "(II) Background to, the purpose of, and the decision-making process of, the resolution to conduct the Tender Offer" in "(2) Grounds and reasons for the opinion on the Tender Offer" in "3. Details of, and grounds and reasons for the opinion on the Tender Offer" in the Opinion Press Release, the Company and ALPS ALPINE conducted the Bidding Process for a number of candidates from mid-December 2023 after holding mutual consultations and gave due diligence opportunities to a number of candidates ("Second-round Candidates"), including LOGISTEED, from early February 2024 to mid-March 2024, and received the final proposal from the Second-round Candidates on March 18, 2024. After receiving the final proposal from the Second-round Candidates, the Company and ALPS ALPINE requested the Second-round Candidates to make consideration as to whether there is room for further increase in the share valuation price and the tender offer price from the viewpoint of maximizing the interests of the Company's general shareholders, and on March 27, 2024, received the Amended Final Proposal from the Second-round Candidates who made such consideration.

The Company has determined that the proposal by LOGISTEED is in the best interests of the Company's shareholders for the reasons that (a) the share valuation price and the tender offer price were the highest as compared to those offered by other Second-round Candidates, (b) the scheme of the Transactions provides the general shareholders of the Company with a reasonable opportunity to sell the Company Shares at a price with an appropriate premium, (c) the funding ability and the conditions precedent for funding have an advantage compared to the conditions precedent for funding offered by other Second-round Candidates, (d) the Company has determined that the details of the proposal such as the management strategy including the growth strategy after implementation of the Transactions, the financial strategy which takes into consideration the maintenance of financial soundness of the Company and the support structure of such strategies are based on a deep understanding of the Company and the Company's business, and are supported by the knowledge and resources of KKR and LOGISTEED, as well as KKR's strong commitment to the Japanese market and extensive track record, (e) the Company has determined that the conditions proposed by LOGISTEED such as management policy including the treatment of its employees and the governance system will maintain the employment of the employees of the Company's group and substantially maintain the conditions of employment of such employees, and have an advantage in comparison to the proposals of other Second-round Candidates, and (f) the proposal by LOGISTEED has an advantage in terms of certainty in the implementation of the Transactions since it presents more specific measures in the procedures for obtaining clearance, etc. under the competition laws and other applicable laws and regulations.

(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee

Considering that one of the parties that will ultimately be selected as the purchaser will enter into the Master Transaction Agreement, including the implementation of the Tender Offer, with ALPS ALPINE, the largest shareholder with 17,318,800 Company Shares (Shareholding Ratio: 48.74%), and that the interests of the Company's minority shareholders and ALPS ALPINE may not necessarily coincide, on November 21, 2023, the Company established a special committee ("Special Committee") consisting of four members, Takeshi Nakajima (independent outside director), Sumiko Ono (independent outside director who is a member of audit and supervisory committee), Naoko Nishikawa (independent outside director who is a member of audit and supervisory committee), and Yoshihiro Ueda (independent outside

director who is a member of audit and supervisory committee) who are independent of the Company and the Tender Offeror Related Parties for the purpose of considering and judging the appropriateness of the terms and conditions of the transactions including the appropriateness and structure of the Capital Transactions, the fairness of the procedures including the process of selecting the purchaser (partner), etc., from the standpoint of eliminating arbitrariness in the Company's decision making in relation to the Capital Transactions and the process of selecting the candidates in the Bidding Process, and enhancing the corporate value and benefitting the minority shareholders. In addition, Takeshi Nakajima was elected as the chairperson of the Special Committee by mutual vote of its members. The members of the Special Committee have not been changed since its establishment. With respect to the remuneration of the members of the Special Committee, an amount calculated in accordance with the number of times the committee is held will be paid as the consideration for their duties, regardless of the content of the report, and no incentive remuneration is adopted.

As a precondition for considering the opinions to be expressed by the Company, the board of directors of the Company consulted with the Special Committee on November 21, 2023 with respect to the following matters ("Consultation Matter(s)"): (i) whether the purpose of the Capital Transactions is found to be reasonable (including whether the Capital Transactions will contribute to enhancement of the corporate value of the Company), (ii) whether the fairness and appropriateness of the terms and conditions of the Capital Transactions (including the method of implementation of the Capital Transactions and the appropriateness of consideration) are ensured, (iii) whether the fairness of the procedures relating to the Capital Transactions is ensured, and (iv) based on (i) to (iii) above, whether the Capital Transactions would be considered not to be disadvantageous to the Company's minority shareholders. In addition, the board of directors of the Company has, upon establishment of the Special Committee, also resolved that (a) the decision making of the board of directors of the Company with respect to the Capital Transactions shall be conducted with the utmost respect for the Special Committee's judgment and, in particular, if the Special Committee determines that the terms and conditions of the Capital Transactions are not appropriate, the board of directors of the Company will not make the decision to implement the Capital Transactions, (b) the Special Committee has the authority to designate or give approval to (including retrospective approval) experts such as the Company's financial advisors and legal advisors (collectively, "Advisors"), (c) upon considering the Consultation Matters, if the Special Committee finds it necessary, the Special Committee has the authority to appoint its own Advisors (The reasonable expenses for such professional advice from the Special Committee's Advisors will be borne by the Company.), (d) the Special Committee will have the authority to receive information that is necessary for consideration and judgment of the Capital Transactions from the Company's officers and employees and other persons whom the Special Committee finds it necessary, and (e) the Special Committee will have the authority to be substantially involved in the negotiation process concerning the terms and conditions of the Capital Transactions by confirming the policy on the negotiations in advance, receiving reports on the status of the negotiations in a timely manner, expressing its opinions and giving instructions and making requests in important phases, etc.

The Special Committee met a total of 14 times during the period from November 21, 2023 to May 8, 2024, for a total of approximately 12 hours, to discuss and consider the Consultation Matters.

The Special Committee approved the appointment of SMBC Nikko Securities as the Company's financial advisor and third-party calculation agent, after confirming that it has no issues of independence and expertise. The Special Committee approved the appointment of Anderson Mori & Tomotsune as the Company's legal advisor, after confirming that it does not fall under a related party of the Company or of the Tender Offeror Related Parties and that it does not have any material interest in relation to the Capital Transactions, including the Tender Offer. In addition, the Special Committee appointed PLUTUS CONSULTING Co., Ltd. ("Plutus") as the Special Committee's financial advisor and third-party

calculation agent, after confirming that it has no issues of independence and expertise, and appointed Nakamura, Tsunoda & Matsumoto as the Special Committee's legal advisor, after confirming that it does not fall under a related party of the Company or of the Tender Offeror Related Parties and that it does not have any material interest in relation to the Capital Transactions, including the Tender Offer. Further, as stated in "(VII) Establishment of the Company's independent consideration system" below, the Special Committee has confirmed that there are no issues from the standpoints of independence and fairness with respect to the system to consider the Capital Transactions (including the scope and duties of the officers and employees of the Company who are involved in the consideration, negotiation and judgment concerning the Capital Transactions) established internally by the Company.

In addition, the Special Committee collected and reviewed each of the review materials submitted by LOGISTEED and the Company and other necessary information and materials, and received explanations from the Company, SMBC Nikko Securities, the Company's financial advisor, and Anderson Mori & Tomotsune, the Company's legal advisor, regarding the outline of the process for the selection of the tender offeror, the selection method, confirmation of the selection procedures, and the background, details, significance and purpose of the Capital Transactions including the Tender Offer, the impact on the corporate value of the Company, the relationship of the Tender Offeror's Related Parties, the independence of each advisor, the reasonableness of the method of calculation of the Tender Offer Price, the appropriateness of the assumptions used for the analysis, whether there was any undue interference from interested parties, the appropriateness of the status of the Company and the background and review process leading to the Company's decision making, the appropriateness of the disclosure and other matters related to the Capital Transactions, and had question-and-answer sessions. In addition, the Special Committee received explanations from the Company's officers and employees on the business plan of the Company, and confirmed the reasonableness of the business plan after having question-and-answer sessions. The Special Committee received explanations from Plutus, the Special Committee's financial advisor, on the share valuation report regarding the calculation results of the value of the Company Shares ("Share Valuation Report (Plutus)") which had been submitted to the Special Committee, and conducted interviews related to the assumptions, etc. for the said valuation. In addition, the Special Committee received explanations from Nakamura, Tsunoda & Matsumoto, the Special Committee's legal advisor, on the legal advice the Company obtained from Anderson Mori & Tomotsune with respect to the decision making process and decision making method of the Company relating to the Capital Transactions including the Tender Offer and other points to be noted when making decisions concerning the Capital Transactions including the Tender Offer, and considered the details of the explanation. In the course of the Bidding Process, the Special Committee has substantially participated in the selection process of the candidates and the negotiation process regarding the terms and conditions of the transaction by receiving reports from the Company in a timely manner on the details of the price proposal from any of the Second-round Candidates including the Tender Offeror each time the Company receives such proposal, and by hearing the Company's opinion based on the advice that the Company received from SMBC Nikko Securities from financial viewpoints and then deliberating and examining the details thereof, and by stating its opinion regarding the terms and conditions of the transaction including the tender offer price in important phases such as the selection of the candidates.

Under the above background, after deliberating the Consultation Matters, the Special Committee submitted the Report containing the following summary to the board of directors of the Company on May 8, 2024.

A. Details of the report

- (A) The Capital Transactions will contribute to enhancement of the corporate value of the Company and its purpose is reasonable.

- (B) Fairness and appropriateness of the terms and conditions of the Capital Transactions (including the method of implementation of the Capital Transactions and the appropriateness of consideration) are ensured.
- (C) Fairness of the procedures relating to the Capital Transactions is ensured.
- (D) Based on (A) to (C) above, as the Capital Transactions, (i) the decision to support the Tender Offer and to recommend that the Company's shareholders and the Share Option Holders tender their shares in the Tender Offer, (ii) the decision for the Company to implement a share consolidation in connection with the procedures to be conducted by the Company by means of the Share Consolidation for the purpose of making the Tender Offeror and ALPS ALPINE the only shareholders of the Company ("Squeeze-out Procedures"), (iii) the decision to implement the Share Buyback, and (iv) the decision to execute the Capital and Business Alliance Agreement and implement the Capital and Business Alliance ((i) to (iv) above are collectively referred to as the "Decision to Implement the Capital Transactions") would be considered not to be disadvantageous to the Company's minority shareholders.

B. Reasons for the report

- (A) Report on the Consultation Matter (i) (whether the purpose of the Capital Transactions is found to be reasonable (including whether the Capital Transactions will contribute to enhancement of the corporate value of the Company))

For the reasons set forth below, with respect to the Consultation Matter (i), the Capital Transactions will contribute to enhancement of the corporate value of the Company, and its purpose is reasonable.

- (a) It was explained that the following points could be expected as synergies projected by the Company.
- The Transactions would enable the Company's group to expand its sales and business in its existing domain in the fields of electronic component logistics and consumer logistics by leveraging the customer base that LOGISTEED as well as its 81 consolidated subsidiaries and 13 equity method affiliates (as of March 31, 2024) ("LOGISTEED Group") have in its wide domain of industry.
 - The Transactions would also enable streamlining of the domestic network, such as improvement in the operating rate through the mutual utilization of logistics centers and improvement in the loading rate through joint transportation and distribution, including the consumer logistics field.
 - Utilizing the overseas network of LOGISTEED and connecting such network with the Company's overseas network would enable strengthening of the logistics business in overseas, expansion of the global one-channel service, and acquisition of non-Japanese customers. In the area of forwarding, the Company can expect to strengthen its procurement capabilities by cooperating with LOGISTEED Group, including cargoes to and from Japan.
 - Taking the Company Shares private through the Transactions could reduce the framework and work for maintaining the listing (including compliance with the listing standards for the recent new market segments and compliance with the revised corporate governance code).
 - The Company's recognition and explanation of the synergies that would result from the Transactions did not contain any points that were inconsistent with the prior disclosures made by the Company or contradicted the objective facts, and no particularly reasonable points were found. All of the members of the Special Committee were outside officers of the Company. Such Company's recognition and explanation were found to be reasonable and consistent with insights obtained by the members of the Special Committee from the information on the Company's business they had been aware as an outside officer thus far,
 - Since the Company (i) could secure funds from its own funds and borrowings from financial

institutions despite it being unable to procure funds from the capital market as a result of delisting; hence the need for the financing would not be high for some time in the future, and (ii) could enhance its name recognition and social credibility through sincere business execution, the impact of delisting as a result of the Transactions would be limited. In light of the above, the expected synergies from the Transactions would outweigh the disadvantages that would result from the Transactions.

(b) Consistency between the Company's explanation and the LOGISTEED's explanation about synergies.

- In order to ascertain whether there is any inconsistency in recognition among the parties to the Transactions, the Special Committee also reviewed the content of the proposal presented by LOGISTEED in the Bidding Process and found that there was no inconsistency between the LOGISTEED's recognition and the Company's recognition of the synergies from the Transactions.

(c) Summary

- Based on the foregoing facts, it is found that the Transactions will contribute to each of the points that the Company recognizes as challenges going forward.
- No unreasonable points were found in the reasons given for the implementation of the Transactions. Factors expected to generate synergies after the implementation of the Transactions were explained with certain specificity. There were no inconsistencies or significant differences in recognition in the explanation provided by the Company and the explanation provided by LOGISTEED. Furthermore, the execution of the Capital and Business Alliance Agreement and the effectuation of the Capital and Business Alliance as part of the Transactions are deemed to aim for improving the feasibility of synergies after the implementation of the Transactions. Also, as confirmed by the Special Committee, there was no description in the Capital and Business Alliance Agreement that may be disadvantageous to the minority shareholders of the Company.
- The measures by which the Company will carry out Share Buyback after the completion of the Squeeze-out Procedures are not unreasonable for the minority shareholders of the Company in light of the fact that the proceeds after tax that ALPS ALPINE would receive should it tendered its shares in the Tender Offer are set to be equal to the proceeds after tax that ALPS ALPINE would receive should it accepted the Share Buyback.

(B) Report on the Consultation Matter (ii) (whether the fairness and appropriateness of the terms and conditions of the Capital Transactions (including the method of implementation of the Capital Transactions and the appropriateness of consideration) are ensured)

For the reasons set forth below, with respect to the Consultation Matter (ii), the fairness and appropriateness of the terms and conditions of the Capital Transactions (including the method of implementation of the Capital Transactions and the appropriateness of consideration) are ensured.

(a) Ensuring the negotiation status

- The negotiation status of the Transactions is found to have been examined in a fair manner with active involvement of the Company in the Bidding Process receiving advice from SMBC Nikko Securities to reach the definitive agreement. SMBC Nikko Securities and the Company explained a series of negotiation processes in detail to the Special Committee. The Special Committee was actively involved in the negotiation by stating opinions on the negotiation at each explanation.
- Based on the above, the agreement in the Transactions is inferred to have been decided

between the Company and the Tender Offeror Related Parties taking into account objective and consistent discussions which are deemed to be at arm's length.

(b) Relationship between the share valuation and the Tender Offer Price

- The Tender Offer Price significantly exceeds the upper limit under the calculation by the market share price method in the Share Valuation Report (Plutus) and the Share Valuation Report (Nikko Securities) and also significantly exceeds the upper limit under the calculation by other calculation methods including the DCF Method.
- From the viewpoint of comparison of premium with similar cases, the Tender Offer Price is considered to be at the premium level that is significantly higher than the mean and the median not only in relation to both February 28, 2024, when some news media reported speculation on implementation of the Bidding Process by the Company, and the day immediately before the announcement but also for any period.
- The Tender Offer Price is above the highest price since the Company's listing. This means that all of the shareholders of the Company who acquired shares in the Company in the market acquired their Company Shares for a price less than the Tender Offer Price and, therefore, the Tender Offer Price is considered to be at a level to benefit all the Company's minority shareholders.
- The Capital Transactions were selected after going through the Bidding Process and receiving proposals from several candidates, and there are no feasible transactions that would be possible to offer terms superior to the Capital Transactions to the minority shareholders of the Company.
- Taking into account the points above, as it is reasonable for the Special Committee to consider that the Tender Offer Price fully reflects the value of the Company Shares, the Tender Offer Price is considered to be at the level that gives proper consideration to the interest of the minority shareholders.

(c) Reasonableness of scheme, etc.

- The Transactions contemplate a tender offer but do not contemplate share exchange. Such scheme is common and does not cause any disadvantage to the minority shareholders of the Company in particular.
- As described above, no points were found that are unreasonable for the minority shareholders of the Company in relation to the measures by which the Company will carry out Share Buyback after the completion of the Squeeze-out Procedures.

(d) Reasonableness of purchase price of the Share Options

- The Special Committee considers that the price of the Share Options in the Tender Offer gives adequate consideration to the interest of share option holders for the same reasons as the Tender Offer Price.

(C) Report on the Consultation Matter (iii) (whether the fairness of the procedures relating to the Capital Transactions is ensured)

For the reasons set forth below, with respect to the Consultation Matter (iii), the fairness of the procedures relating to the Capital Transactions is ensured.

(a) Establishment of the Special Committee

- The Special Committee is comprised of 4 independent outside directors of the Company (of whom, 1 director is not a member of the audit and supervisory committee and 3 directors are members of the audit and supervisory committee). Given the circumstance of establishment

and operation of the Special Committee, the Special Committee is considered to effectively function as a measure to ensure fairness.

(b) Decision-making process in the Company

- The Company expects that all the 7 directors will participate in deliberation and resolutions regarding the Tender Offer.
- According to the Company, among the directors of the Company, although Mr. Masaru Usui and Mr. Katsuhiko Shimohiro came from ALPS ALPINE, it has been more than 10 years since Mr. Usui was transferred from ALPS ALPINE to the Company and more than 20 years since Mr. Shimohiro was transferred. In addition, they are not in a position to follow instructions from ALPS ALPINE, and they are not involved in any way in the Capital Transactions on the part of ALPS ALPINE nor are they in a position to do so. The Company, hence, determined that there were no problems, in terms of independence and fairness, with their participation in the consideration of the Capital Transactions and negotiations with the Tender Offeror Related Parties. No unreasonable points were found in such explanation and determination.
- Among the directors of the Company, although Mr. Hideaki Terasaki came from ALPS ALPINE, it has been more than 6 years since he was transferred from ALPS ALPINE to the Company, he is not in a position to follow instructions from ALPS ALPINE, and he is not involved in any way in the Capital Transactions on the part of ALPS ALPINE nor is he in a position to do so. In addition, he is familiar with quantitative consideration in the Company and is essential for the development of business plans of the Company and the calculation of the corporate value of the Company based on them. For these reasons, he was involved in the development of the business plan necessary for negotiations, and the Company determined that he was unlikely to have any interest in relation to the decision-making of the Company in the Capital Transactions. No unreasonable points were found in such explanation and determination.

(c) Obtainment of professional advice from outside experts

- The board of directors of the Company received advice from attorneys of Anderson Mori & Tomotsune, a legal advisor of the Company, on its decision-making. The Company is deemed to have obtained independent advice from attorneys.
- The board of directors of the Company obtained the Share Valuation Report (Nikko Securities) as a reference for the value of the Company Shares from SMBC Nikko Securities, an independent third-party calculation agent, in order to ensure the fairness of the Tender Offer Price. In addition, the Special Committee obtained the Share Valuation Report (Plutus) from Plutus as a reference for the value of the Company Shares.

(d) Market check

- In this case, it is found that the Bidding Process was carried out and at least 11 companies considered the Capital Transactions in detail, based on which, the Company selected LOGISTEED as a candidate, and a so-called active market check was conducted to investigate and examine whether there was any potential purchaser in the market.
- The Tender Offer is a so-called pre-announced tender offer, and a relatively long period of time is secured before the commencement of the Tender Offer after a set of terms and conditions including the Tender Offer Price were announced. Given such period, there would be sufficient opportunities for other potential purchasers to make a counter purchase offer.
- It is found that there is no agreement that contains a clause for protecting transactions between the Company and the Tender Offeror to restrict contacts with a person other than the Tender

Offeror (the “Counterbidder”).

- It is considered that by going through such process, the Company's bargaining power in the process of formulating the terms and conditions of transaction will be strengthened. Accordingly, it is found that actions have been taken that contribute to implementation of M&A under the terms and conditions that are as favorable as possible to general shareholders while enhancing the corporate value.

(e) Majority of Minority

- The majority of minority approach is not adopted for the minimum number of shares to be purchased.
- In implementing the Tender Offer, it is found that a number of measures other than setting the majority of minority conditions have been adopted to ensure fairness. Hence, the fact that the majority of minority approach is not adopted in implementing the Tender Offer does not in itself impair the fairness of the terms and conditions of the Transactions.

(f) Sufficient information provision to general shareholders and enhanced transparency in the process

- The “Notice Regarding Expression of Opinion in Support of the Planned Commencement of and Recommendation to Tender in the Tender Offer for Company’s Share Certificates etc. by LDEC, Ltd. and Notice of Capital and Business Alliance” dated May 9, 2024 (“Company’s Press Release Dated May 9, 2024”) sets out (a) information regarding the qualifications of the members of the Special Committee including their independence and expertise, (b) information regarding the authorities granted to the Special Committee, (c) information regarding the process of consideration by the Special Committee and its involvement in the negotiation process, and (d) the grounds and reasons for the Special Committee’s decision, and the content of the report.
- The Company press release dated May 9, 2024 discloses the summary of the calculation in relation to the Share Valuation Report (Plutus) and the Share Valuation Report (Nikko Securities).
- It is also found that the Company press release dated May 9, 2024 provides sufficient details of other information as well as the process and negotiations leading up to the implementation of the M&A.

(g) Exclusion of coercive pressure

- The Squeeze-out Procedures of the Transactions are to be implemented through a scheme using the share consolidation approach. Shareholders are granted the right to file a petition for price determination in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act, and this is explicitly disclosed in the Company press release dated May 9, 2024.
- The Company press release dated May 9, 2024 also discloses that the Squeeze-out Procedures would be carried out promptly following the completion of the Tender Offer and that the proceeds to be paid to the minority shareholders upon the Squeeze-out Procedures would be calculated to be equal to the Tender Offer Price multiplied by the number of Company Shares held by each such shareholder (excluding the Company and the Tender Offeror Related Parties).
- Based on the above, it is found that measures to eliminate coercive pressure have been taken in relation to the Transactions.

(D) Report on the Consultation Matter (iv) (based on (i) to (iii) above, whether the Capital Transactions would not be disadvantageous to the minority shareholders of the Company)

For the reasons set forth below, with respect to the Consultation Matter (iv), based on (i) to (iii) above, the Capital Transactions would not be disadvantageous to the minority shareholders of the Company.

- The deliberation by the Special Committee concluded that there were no problems with any of the Consultation Matters (i) through (iii).
- Based on the above, the Special Committee expresses an opinion with regard to the Consultation Matter (iv) that the decision to implement the Capital Transactions would be considered not to be disadvantageous to the Company's minority shareholders.

Thereafter, on July 24, 2024, the Company was informed by the Tender Offeror that (i) the Procedures by Authorities other than the Procedures by Vietnamese Authorities are expected to complete by mid-August 2024, (ii) regarding the Procedures by Vietnamese Authorities, even if the Tender Offer is commenced at the scheduled time as disclosed in the Tender Offeror's Press Release Dated May 9, 2024, it has become highly likely that a waiting period of 30 days required for the initial review by the competition commission of Vietnam will have elapsed and the Procedures by Vietnamese Authorities will be completed by October 3, 2024, which is the day immediately before the date of expiration of the tender offer period, and thus, of (VII) of the Conditions Precedent, the Tender Offeror expects to waive the condition that the acquisition of clearance for the Procedures by Vietnamese Authorities has been completed, and (iii) based on such assumption, the Tender Offeror expects to commence the Tender Offer from August 22, 2024. Then, on August 16, 2024, the Company was informed by the Tender Offeror that (i) the Procedures by Authorities other than the Procedures by Vietnamese Authorities have been completed, (ii) of (VII) of the Conditions Precedent, the Tender Offeror waives the condition that the acquisition of clearance for the Procedures by Vietnamese Authorities has been completed, and (iii) subject to the satisfaction of the Conditions Precedent (or the waiver of the Conditions Precedent by the Tender Offeror), the Tender Offeror plans to commence the Tender Offer from August 22, 2024.

On August 20, 2024, upon commencement of the Tender Offer, the Company requested the Special Committee to examine whether there are any changes to its opinions expressed to the board of directors meeting on May 8, 2024, and if there are no changes, to inform the Company's board of directors to that effect, and if there are any changes, to express its new opinions.

At the 15th meeting of the Special Committee held on August 20, 2024, the Special Committee confirmed with the Company the facts as to whether any material changes in circumstances that could affect the Transactions have occurred since May 9, 2024. As a result of the examination of the consultation matters, the Special Committee confirmed that, taking into consideration the circumstances from May 9, 2024 until August 20, 2024, there were no circumstances where the opinions expressed to the board of directors of the Company as of May 8, 2024 should be changed, and on August 20, 2024, the Special Committee submitted a report dated August 20, 2024 to the board of directors of the Company by a unanimous resolution.

The Special Committee has determined that no change or update to the content of the Share Valuation Report (Plutus) is necessary, taking into account that there are no unreasonable points in Plutus' explanation that no change to the content of the Share Valuation Report (Plutus) is necessary, that there is no significant change in the underlying facts that have an impact on the Share Valuation Report (Plutus), even considering the circumstances from the meeting of the Special Committee held on May 8, 2024 to August 20, 2024, and that there is no particular change in the business environment surrounding the Company's group and the industry.

(III) Advice from the Company's independent legal advisors

As stated in "(II) Establishment of an independent special committee at the Company and obtainment of a

report from the special committee” above, the Company has appointed Anderson Mori & Tomotsune as an outside legal advisor independent of the Company and the Tender Offeror Related Parties and has received legal advice from Anderson Mori & Tomotsune including advice on measures to be taken to ensure the fairness of the procedures in the Capital Transactions, various procedures for the Capital Transactions, and the method and process of the Company’s decision-making on the Capital Transactions.

Anderson Mori & Tomotsune does not fall under the category of related parties of the Company or the Tender Offeror Related Parties nor has any material interest in the Capital Transactions including the Tender Offer. The Company determined that there was no problem with the independence of Anderson Mori & Tomotsune from the Tender Offeror Related Parties and success/failure of the Tender Offer on the ground that the fees for Anderson Mori & Tomotsune are calculated by multiplying hours of services by the hourly fee regardless of success/failure of the Capital Transactions and do not include an incentive fee conditional upon successful completion of the Tender Offer. The Special Committee also confirmed at its first meeting that there was no problem with the independence and expertise of Anderson Mori & Tomotsune.

(IV) Obtainment of the share valuation report from the Company’s independent financial advisor and third-party calculation agent

As stated in “(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee” above, the Company has appointed SMBC Nikko Securities as a financial advisor and third-party calculation agent independent of the Company and the Tender Offeror Related Parties and has received advice and assistance from SMBC Nikko Securities from the financial perspective including advice on valuation of the Company Shares and policies on negotiation with the Tender Offeror as well as obtained the Share Valuation Report (Nikko Securities) from SMBC Nikko Securities on May 8, 2024.

SMBC Nikko Securities does not fall under the category of related parties of the Company or the Tender Offeror Related Parties nor has any material interest in the Capital Transactions including the Tender Offer. The fees for SMBC Nikko Securities in connection with the Capital Transactions include incentive fees payable on the condition of successful completion, etc. of the Capital Transactions. The Company determined that the inclusion of the incentive fees payable on the condition of completion of the Tender Offer does not negate the independence taking into consideration the general practice in similar types of transactions and the appropriateness of a fee structure that would impose a reasonable monetary burden on the Company if the Capital Transactions were not consummated, and based on such determination, the Company appointed SMBC Nikko Securities as its financial advisor and third-party calculation agent under such fee structure. The Special Committee also confirmed at its first meeting that there was no problem with the independence and expertise of SMBC Nikko Securities.

The Company’s board of directors has determined that no change or update to the content of the Share Valuation Report (Nikko Securities) is necessary, taking into account that it is considered that there are no unreasonable points in SMBC Nikko Securities’ explanation that the content of the Share Valuation Report (Nikko Securities) need not be changed, that it is considered that there is no significant change in the underlying facts which may have an impact on the Share Valuation Report (Nikko Securities), even considering the circumstances from the Company’s board of directors meeting held on May 9, 2024 to August 20, 2024, and that there is no particular change in the business environment surrounding the Company’s group and the industry.

(V) Advice from the Special Committee’s independent legal advisor

As stated in “(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee” above, the Special Committee has appointed Nakamura, Tsunoda & Matsumoto as its own legal advisor independent of the Company and the Tender Offeror Related Parties and

has received legal advice from Nakamura, Tsunoda & Matsumoto including advice on measures to be taken to ensure the fairness of the procedures in the Capital Transactions, various procedures for the Capital Transactions, and the method and process of the Special Committee's decision-making on the Capital Transactions.

Nakamura, Tsunoda & Matsumoto does not fall under the category of related parties of the Company or the Tender Offeror Related Parties nor has any material interest in the Capital Transactions including the Tender Offer. The fees for Nakamura, Tsunoda & Matsumoto are calculated by multiplying hours of services by the hourly fee regardless of success/failure of the Capital Transactions and do not include an incentive fee conditional upon successful completion of the Tender Offer.

(VI) Obtainment of the share valuation report from the Special Committee's independent financial advisor and third-party calculation agent

As stated in "(II) Establishment of an independent special committee at the Company and obtainment of a report from the special committee" above, the Special Committee has appointed Plutus as a financial advisor and third-party calculation agent independent of the Company and the Tender Offeror Related Parties and has received advice and assistance from Plutus from the financial perspective including advice on valuation of the Company Shares and policies on negotiation with the Tender Offeror as well as obtained the Share Valuation Report (Plutus) from Plutus on May 8, 2024.

Plutus does not fall under the category of related parties of the Company or the Tender Offeror Related Parties nor has any material interest in the Capital Transactions including the Tender Offer. The fees for Plutus in connection with the Capital Transactions are only fixed fees payable regardless of success/failure of the Capital Transactions and do not include incentive fees payable on the condition of successful completion of the Capital Transactions.

(VII) Establishment of the Company's independent consideration system

As described in "1. Purpose of and reasons for the share consolidation" above, the Company has established an internal system to examine, negotiate on and decide on the Capital Transactions from a position independent of the Tender Offeror Related Parties in consideration of the fact that in the Capital Transactions, a definitive agreement, including the implementation of the Tender Offer, will be entered into by and between any of the candidates to be ultimately selected as the purchaser and ALPS ALPINE which is the largest shareholder holding approximately 47% of the voting rights in the Company, and the interest of the minority shareholders in the Company and that of ALPS ALPINE may not necessarily be the same. More specifically, immediately after the commencement of consideration of the Capital Transactions, the Company has decided and is continuing not to allow any of the Company's officers and employees who used to serve as an officer or employee at ALPS ALPINE, except for certain persons who came from ALPS ALPINE and were essential for consideration of the Capital Transactions and the preparation process of the business plan that will serve as the basis for valuation of the Company Shares, to be involved in the negotiation process between the Company and the Tender Offeror regarding the terms and conditions of the Capital Transactions, including the Tender Offer Price, and in the preparation process of the business plan from the viewpoint of eliminating structural conflicts of interest. ALPS ALPINE has not been involved in the preparation of business plans which serve as a basis for valuation of the Company Shares.

In addition, the Special Committee has approved that there is no problem with the Company's consideration system (including the scope and functions of the officers and employees of the Company who are involved in the consideration, negotiation and decision on the Capital Transactions) from the viewpoint of the independence and fairness.

(VIII) Receipt of unanimous approval of all directors of the Company (including directors who are members of audit and supervisory committee)

As stated in “1. Purpose of and reasons for the share consolidation” above, the board of directors of the Company carefully discussed and examined whether the Transactions, including the Tender Offer, would contribute to the enhancement of the Company’s corporate value and whether the terms and conditions of the Transactions, including the Tender Offer Price, were reasonable, taking into account the legal advice provided by Anderson Mori & Tomotsune, the advice provided by SMBC Nikko Securities from the financial perspective and the contents of the Share Valuation Report (Nikko Securities), and with the utmost respect for the decision of the Special Committee expressed in the Report.

As a result, as stated in “1. Purpose of and reasons for the share consolidation” above, the Company found that the LOGISTEED’s proposal would be the best for all shareholders of the Company on the ground that (a) the LOGISTEED’s proposal offered the highest price compared to the share valuation prices and the tender offer prices offered by other Second-round Candidates, (b) the scheme of the Transactions would provide general shareholders of the Company with a reasonable opportunity to sell their Company Shares at a price with a proper premium added, (c) its financing capability and financing preconditions were more favorable than the financing preconditions offered by other Second-round Candidates, (d) it is found that the management strategy, including the growth strategy, after the implementation of the Transactions and the financial strategy taking into consideration the maintenance of the Company’s financial soundness, as well as proposals for systems to support them are based on a profound understanding of the Company and its business, and are supported by insights and resources of KKR and LOGISTEED as well as by strong commitment to the Japanese market and rich experience of KKR, (e) it is found that the terms and conditions including the management policy such as treatment of employees and governance structure, are to maintain employment of the employees of the Company’s group and substantially maintain the employment conditions of the employees, and are, thus, superior in comparison to the proposals of other Second-round Candidates, and (f) the LOGISTEED’s proposal was superior in terms of the certainty of implementation of the Transactions as it presented more specific actions in the procedures for, such as, obtaining clearance under the Competition Act and other applicable laws and regulations. Based on this, the Company resolved with the unanimous approval of the seven directors at the board of directors meeting held on May 9, 2024 that if the Tender Offer is commenced, the Company would express, as the opinion of the Company as of the same date, an opinion in support of the Tender Offer and recommend the shareholders and Share Option Holders of the Company to tender their shares in the Tender Offer.

Among the directors of the Company, although Mr. Masaru Usui and Mr. Katsuhiko Shimohiro came from ALPS ALPINE, it has been more than 10 years since Mr. Usui was transferred from ALPS ALPINE to the Company and more than 20 years since Mr. Shimohiro was transferred. In addition, they are not in a position to follow instructions from ALPS ALPINE, and they are not involved in any way in the Capital Transactions on the part of ALPS ALPINE nor are they in a position to do so. The Company, hence, determined that they were unlikely to have any interest in relation to the decision-making of the Company in the Capital Transactions and allowed them to participate in the deliberation and resolution at the board of directors meeting of the Company mentioned above. Although Mr. Hideaki Terasaki came from ALPS ALPINE, it has been more than 6 years since he was transferred from ALPS ALPINE to the Company, he is not in a position to follow instructions from ALPS ALPINE, and he is not involved in any way in the Capital Transactions on the part of ALPS ALPINE nor is he in a position to do so. In addition, he is familiar with quantitative consideration in the Company and is essential for the development of business plans of the Company and the calculation of the corporate value of the Company based on them. For these reasons, he was involved in the development of the business plan necessary for negotiations, and the Company determined that he was unlikely to have any interest in relation to the decision-making of the Company in the Capital Transactions

to allow him to participate in the deliberation and resolution on the decision-making of the Company in the Capital Transactions. Thereafter, on July 24, 2024, the Company was informed by the Tender Offeror that (i) the Procedures by Authorities other than the Procedures by Vietnamese Authorities are expected to complete by mid-August 2024, (ii) regarding the Procedures by Vietnamese Authorities, even if the Tender Offer is commenced at the scheduled time as disclosed in the Tender Offeror's Press Release Dated May 9, 2024, it has become highly likely that a waiting period of 30 days required for the initial review by the competition commission of Vietnam will have elapsed and the Procedures by Vietnamese Authorities will be completed by October 3, 2024, which is the day immediately before the date of expiration of the tender offer period, and thus, of (VII) of the Conditions Precedent, the Tender Offeror expects to waive the condition that the acquisition of clearance for the Procedures by Vietnamese Authorities has been completed, and, (iii) based on such assumption, the Tender Offeror expects to commence the Tender Offer from August 22, 2024. Then, on August 16, 2024, the Company was informed by the Tender Offeror that (i) the Procedures by Authorities other than the Procedures by Vietnamese Authorities have been completed, (ii) of (VII) of the Conditions Precedent, the Tender Offeror waives the condition that the acquisition of clearance for the Procedures by Vietnamese Authorities has been completed, and (iii) subject to the satisfaction of the Conditions Precedent (or the waiver of the Conditions Precedent by the Tender Offeror), the Tender Offeror plans to commence the Tender Offer from August 22, 2024.

In response, on August 20, 2024, the Company requested the Special Committee to examine whether there are any changes to its opinions expressed to the board of directors meeting on May 8, 2024, and if there are no changes, to inform the Company's board of directors to that effect, and if there are any changes, to express its new opinions. To this, on August 20, 2024, the Special Committee submitted the Report dated August 20, 2024. Based on the details of such report as well as various factors including the business performance of the Company and the changes in the market environment since the Company's board of directors meeting held on May 9, 2024, the Company again carefully discussed and examined the details of the terms and conditions concerning the Tender Offer.

As a result, the Company came to believe that, even as of August 21, 2024, engaging in the Transactions will contribute to the enhancement of the corporate value of the Company, and that the purposes of the Transactions, and the significance and necessity of achieving its purposes will not be diminished, and that there are no factors to change the Company's decision regarding the Tender Offer as of May 9, 2024, and thus, at the Company's board of directors meeting held August 21, 2024, resolved to, again, express its opinion in support of the Tender Offer and recommend that the Company's shareholders and the Share Option Holders tender their shares in the Tender Offer.

In addition, the Company's board of directors has determined that no change or update to the content of the Share Valuation Report (Nikko Securities) is necessary, taking into account that it is considered that there are no unreasonable points in SMBC Nikko Securities' explanation that the content of the Share Valuation Report (Nikko Securities) need not be changed, that it is considered that there is no significant change in the underlying facts which may have an impact on the Share Valuation Report (Nikko Securities), even considering the circumstances from the Company's board of directors meeting held on May 9, 2024 to August 20, 2024, and that there is no particular change in the business environment surrounding the Company's group and the industry.

(IX) Measures to ensure opportunities for other purchasers to purchase

The Tender Offeror and the Company have not reached any agreement that requires the Company to support or recommend tendering in the Tender Offer or any agreement the content of which is to restrict any person other than the Tender Offeror ("Counterbidder") from having contact with the Company, such as an agreement which includes a clause for protecting transactions to prohibit the Company from having contact

with a Counterbidder. As such, the Tender Offeror is giving consideration for ensuring the fairness of the Tender Offer in addition to setting the tender offer period.

Furthermore, as stated in “(II) Background to, the purpose of, and the decision-making process of, the resolution to conduct the Tender Offer” in “(2) Grounds and reasons for the opinion on the Tender Offer” in “3. Details of, and grounds and reasons for the opinion on the Tender Offer” in the Opinion Press Release, the Company and ALPS ALPINE carried out the Bidding Process by making offers to multiple potential purchasers, and commenced the discussion and examination towards the implementation of the Capital Transactions (including negotiations on the final Tender Offer Price) with LOGISTEED which made the best final proposal, and continued such discussions and negotiations thereafter to select the final candidate through comparison with other potential purchasers in a certain competitive circumstance. In addition, since the period until the commencement of the Tender Offer will be long, opportunities for the minority shareholders of the Company to make decisions on their tendering in the Tender Offer and opportunities for persons other than the Tender Offeror to purchase, etc. the Company Shares are considered to be ensured. The Tender Offeror, therefore, believes that opportunities for persons other than the Tender Offeror to purchase, etc. the Company Shares are sufficiently provided.

(X) Measures to ensure opportunities for the Company shareholders to properly determine whether to tender the shares in the Tender Offer

According to the Tender Offeror, as stated in “(5) Policies regarding reorganization, among others, after the Tender Offer (matters regarding the so-called two-stage purchase)” in “3. Details of, and grounds and reasons for the opinion on the Tender Offer” in the Opinion Press Release, the Tender Offeror (i) intends to request, promptly after the completion of settlement of the Tender Offer, that the Company hold the Extraordinary Shareholders Meeting that includes the following proposals in its agenda: a proposal to implement the Share Consolidation and a proposal to partially amend its articles of incorporation for abolishing the unit share clause on condition that the Share Consolidation becomes effective and will not adopt any method where appraisal rights or rights to demand determination of price will not be ensured for shareholders of the Company; and (ii) has clarified that, when the Share Consolidation is implemented, the cash to be delivered as consideration to shareholders of the Company will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares owned by each such shareholder, and thus ensures opportunities for shareholders of the Company to make appropriate decisions on whether to tender their shares in the Tender Offer, thereby giving consideration not to give rise to oppression.

4. Future prospects

Due to the implementation of the Share Consolidation, the Company Shares is presumed to be delisted as stated in “(I) Delisting” in “(2) Likelihood of delisting” in “3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation” above.

5. Matters related to transactions with a controlling shareholder

(1) Applicability to transactions with a controlling shareholder and compliance with guidelines concerning measures to protect minority shareholders

As the Tender Offeror has become a parent company of the Company as of the commencement date of the settlement of the Tender Offer (October 11, 2024), the Company has determined that the transactions in relation to the Share Consolidation fall under the transactions with a controlling shareholder as stipulated in the Securities Listing Regulations of the TSE.

Although the Company has not established the “guidelines concerning measures to protect minority shareholders in implementing transactions with a controlling shareholder” in the corporate governance report

disclosed on July 8, 2024, it is the Company's basic policy to appropriately respond in a manner that does not impair the interests of minority shareholders in implementing transactions with a controlling shareholder, by taking measures to ensure the fairness of the transactions with the controlling shareholder and measures to avoid conflicts of interest through various means including obtaining advice as necessary from experts and other third parties who do not have significant interests with the Company and the controlling shareholder, as well as making a decision upon careful deliberation at the board of directors meeting.

In implementing the Share Consolidation, as stated in "(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest" in "3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation" above, the board of directors of the Company conducted a careful discussion and examination based on the Share Valuation Report (Nikko Securities) obtained from SMBC Nikko Securities, legal advice obtained from Anderson Mori & Tomotsune, its legal advisor, concerning the method and process of the decision-making by the Company's board of directors including the various processes regarding the Transactions including the Share Consolidation and other points to be noted, as well as the Report and the Report dated August 20, 2024 submitted by the Special Committee, and thus, the Company considers that it has appropriately responded in a manner that does not impair the interests of minority shareholders and is in compliance with the abovementioned policy.

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

Please refer to "(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest" in "3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation" above.

(3) Overview of the opinion obtained from a party without interest with the controlling shareholder with respect to the fact that such transactions are not disadvantageous to the minority shareholders

The company has obtained a report from the Special Committee, which is independent from the Company and the Tender Offer Related Parties, as of May 8, 2024, to the effect that the decision to implement the Transactions is considered to be not disadvantageous to the Company's minority shareholders. In addition, on August 20, 2024, the Company requested the Special Committee to consider whether or not the opinion it expressed to the board of directors of the Company as of May 8, 2024 has changed, and if it has not, to inform the board of directors of the Company to that effect, and if it has changed, to state its changed opinion. To this, the Special Committee submitted a report dated August 20, 2024 to the effect that it considers that it is not necessary to change the details of the report that it had made to the board of directors of the Company on May 8, 2024. For further details, please refer to "(3) Measures to ensure the fairness of the Transactions and measures to avoid conflicts of interest" in "3. Grounds for the amount of money expected to be delivered to the shareholders due to the treatment of fractional shares occurring from the share consolidation" above. Please note that since the reports dated May 8, 2024 and August 20, 2024 respectively concern the Transactions which include the transactions related to the Share Consolidation which will be conducted by the Company as the Squeeze-out Procedures, the company has not obtained any further opinion from a party that does not have any interest with the controlling shareholder in implementing the transactions related to the Share Consolidation as the Squeeze-out Procedures.

II. Abolition of provisions on share units

1. Reason for the abolition

When the Share Consolidation becomes effective, the total number of issued shares of the Company will become 10 shares, and there will be no need to provide for the number of shares that constitute a unit.

2. Scheduled date of the abolition

December 19, 2024 (scheduled)

3. Terms and conditions for the abolition

The abolition is subject to the proposal regarding the Share Consolidation and the proposal regarding the partial amendment to the articles of incorporation regarding the abolition of provisions on the number of shares constituting a unit being approved and adopted as originally proposed at the EGM, and the Share Consolidation becoming effective.

III. Partial amendment to the articles of incorporation

1. Purpose of the amendment to the articles of incorporation

- (1) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, then the total number of authorized shares of the Company Shares will be reduced to 40 shares, pursuant to Article 182, Paragraph 2 of the Companies Act. The Company intends to amend Article 6 of the articles of incorporation (total number of authorized shares) in order to clarify this point, subject to the Share Consolidation becoming effective.
- (2) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed, the Company Shares is presumed to be delisted and will no longer be tradable on the TSE after the delisting. Therefore, the Company intends to delete Article 7 of the articles of incorporation (share buyback) in its entirety and adjust the subsequent numbers of the articles that accompany the said amendment.
- (3) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, then the total number of issued shares of the Company Shares will be reduced to 10 shares and the provision on the number of shares that constitute a unit will no longer be needed. Accordingly, subject to the Share Consolidation becoming effective, the Company intends to delete Article 8 of the articles of incorporation (number of shares constituting a unit) in its entirety to abolish the provision on the number of shares of the Company Shares constituting a unit, which is currently 100 shares per unit, and adjust the subsequent numbers of the articles that accompany the said amendment.
- (4) If the proposal regarding the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, the Company Shares will be delisted and the Tender Offeror Related Parties will be the only shareholders that hold one or more of the Company Shares. Thus, the provisions relating to the electronic provision of materials for the general meeting of shareholders will no longer be necessary. Accordingly, subject to the Share Consolidation becoming effective, the Company intends to delete Article 14 of the articles of incorporation (measures for electronic provision) in its entirety and adjust the subsequent numbers of the articles that accompany the said amendment.

2. Details of the amendment to the articles of incorporation

Details of the amendment are as set out below.

(Underline indicates that such portion has been amended)

Current articles of incorporation	Proposed change
Article 1 to Article 5 (text omitted)	Article 1 to Article 5 (no change)
(Total number of authorized shares)	(Total number of authorized shares)
Article 6 The total number of authorized shares of the Company is <u>70 million</u> shares.	Article 6 The total number of authorized shares of the Company is <u>40</u> shares.

<p><u>(Share buyback)</u></p> <p><u>Article 7 Pursuant to the provision of Article 165, Paragraph 2 of the Companies Act, the Company may acquire its own shares through market transactions by a resolution at the board of directors meeting.</u></p>	<p>(Deleted)</p>
<p><u>(Number of shares constituting a unit)</u></p> <p><u>Article 8 The number of shares constituting a unit at the Company is 100 shares.</u></p>	<p>(Deleted)</p>
<p><u>Article 9 to Article 13 (text omitted)</u></p>	<p><u>Article 7 to Article 11 (no change)</u></p>
<p><u>(Measures for electronic provision)</u></p> <p><u>Article 14 (1) The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p><u>(2) Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>	<p>(Deleted)</p>
<p><u>Article 15 to Article 36 (text omitted)</u></p>	<p><u>Article 12 to Article 33 (no change)</u></p>

3. Schedule of the amendment to the articles of incorporation

December 19, 2024 (scheduled)

4. Terms and conditions for the amendment to the articles of incorporation

The amendment to the articles of incorporation is subject to the proposal regarding the Share Consolidation being approved and adopted as originally proposed at the EGM, and the Share Consolidation becoming effective.

End