

[Translation]

# Tender Offer Explanatory Statement

May 2025

NIPPON TELEGRAPH AND TELEPHONE CORPORATION

(Target Company: NTT DATA Group Corporation)

## Tender Offer Explanatory Statement

The Tender Offer conducted pursuant to this Explanatory Statement is subject to the provisions of Chapter II-2, Section 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended). This Explanatory Statement has been prepared in accordance with Article 27-9 of the Financial Instruments and Exchange Act.

Name of Submitting Party	Nippon Telegraph and Telephone Corporation
Address or Location of Submitting Party	1-5-1, Otemachi, Chiyoda-ku, Tokyo
Closest Contact Point	1-5-1, Otemachi, Chiyoda-ku, Tokyo
Telephone Number	03-6838-5725
Name of Contact Person	Kei Shibata, Senior Manager of Corporate Strategy Planning Department
Name of Agent	Not applicable
Address or Location of Agent	Not applicable
Closest Contact Point	Not applicable
Telephone Number	Not applicable
Name of Contact Person	Not applicable
Location for Public Inspection	Nippon Telegraph and Telephone Corporation (1-5-1, Otemachi, Chiyoda-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

- (Note 1) In this Statement, “**Tender Offeror**” means Nippon Telegraph and Telephone Corporation.
- (Note 2) In this Statement, “Target Company” means NTT DATA Group Corporation.
- (Note 3) Where figures in this Statement have been rounded or truncated, the amount indicated as the total might not always coincide with the sum of the relevant figures.
- (Note 4) In this Statement, the “**Act**” means the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).
- (Note 5) In this Statement, “**Enforcement Order**” means the Financial Instruments and Exchange Act Enforcement Order (Cabinet Enforcement Order No. 321 of 1965, as amended).
- (Note 6) In this Statement, the “**Ordinance**” means the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Persons Other Than Issuers (Ordinance of the Ministry of Finance No. 38 of 1990, as amended).
- (Note 7) In this Statement, “**shares**” means a right pertaining to shares.
- (Note 8) In this Statement, “**business day**” means any day other than a day set out in any item of Article 1, paragraph (1) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988, as amended).
- (Note 9) Unless otherwise provided, any reference in this Statement to a number of days or a date and time means the number of days or the date and time in Japan.

- (Note 10) The tender offer for which this Statement is being submitted (the “**Tender Offer**”) will be conducted in compliance with the procedures and information disclosure standards set out in the Act, but those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the Tender Offer is not subject to Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the “**U.S. Securities Exchange Act of 1934**”) or the rules set out thereunder, and the Tender Offer will not be conducted in line with those procedures or standards. All of the financial data included in this Statement and the reference documents thereof do not conform to accounting standards in the United States and may not be equivalent to the financial statements of a company in the United States. Further, the Tender Offeror and the Target Company are companies that have been established outside of the United States and some or all of the directors of the Tender Offeror and the Target Company reside outside of the United States, so it may be difficult to exercise any rights or make any claims under the federal securities laws of the United States. It also may be impossible to bring an action against a company that is based outside of the United States or its directors in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. There is also no guarantee that a company that is based outside of the United States or its subsidiaries or affiliates may be compelled to submit themselves to the jurisdiction of a United States court.
- (Note 11) Unless otherwise provided, all of the procedures concerning the Tender Offer will be conducted in the Japanese language. All or some of the documents related to the Tender Offer are prepared in the English language, and if there is a discrepancy between that English language document and the corresponding Japanese language document, the Japanese language document will prevail.
- (Note 12) Statements that constitute “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 are included in statements in this Statement and the reference documents thereof. There may be a significant difference between actual results and the express or implied predictions, etc. made as “forward-looking statements” due to known or unknown risks, uncertainties, and other factors. None of the Tender Offeror, the Target Company, and their affiliates guarantees that any express or implied prediction, etc. made as a “forward-looking statement” will ultimately be correct. Such “forward-looking statements” in this Statement and the reference documents thereof have been prepared based on information that is available to the Tender Offeror as of the date of this Statement, and unless required by applicable laws or regulations or the rules of a financial instruments exchange, none of the Tender Offeror, the Target Company, and any of their affiliates has an obligation to update or correct those statements in order to reflect future events or circumstances.
- (Note 13) The Tender Offeror, financial advisors of the Tender Offeror and the Target Company, and the tender offer agent (including their affiliates) might purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of shares of the Target Company on their own account or the account of their client before the commencement of the Tender Offer or during the purchase period of the Tender Offer (the “**Tender Offer Period**”) to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations in the scope of their ordinary business and in accordance with

the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. Such purchases may be made at market prices through market transactions or at prices determined through negotiations outside the market. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on a website of the person that conducted that purchase (or by another disclosure method).

- (Note 14) American depositary receipts (the “**ADRs**”) have been issued with respect to the Target Company Shares (as defined in “2. Class of Shares to be Purchased” in “I. Terms of the Tender Offer” below; the same applies hereinafter); however, according to the Target Company, the Target Company has not been involved in the issuance of the ADRs. As stated in “2. Class of Shares to be Purchased” in “I. Terms of the Tender Offer” below, the Tender Offeror has not included the ADRs in the classes of securities to be purchased in the Tender Offer. Holders of the ADRs who wish to tender into the Tender Offer are requested to first surrender their ADRs to the depositary bank that issued them and receive delivery of the Target Company Shares corresponding to those ADRs prior to participating in the Tender Offer.

## Table of Contents

	Page
I. Terms and Conditions of the Tender Offer	1
1. Name of the Target Company	1
2. Class of Shares to be Purchased	1
3. Purpose of the Purchase	1
4. Purchase Period, Purchase Price, and Number of Shares to be Purchased	26
5. Ownership Ratio of Shares After the Purchase	59
6. Licenses, Etc. Concerning Acquisition of Shares	60
7. Method of Tendering Shares and Cancelling Agreements	61
8. Funds Required for the Tender Offer	67
9. Status of the Issuer of Securities to be Used as Consideration for the Tender Offer	71
10. Method of Settlement	71
11. Other Conditions and Methods of the Tender Offer	72
II. Information on the Tender Offeror	74
1. In the Case of a Company	74
2. In the Case of an Entity other than a Company	76
3. In the Case of an Individual	76
III. Status of Ownership and Status of Trading of Shares by the Tender Offeror and Special Related Parties Thereof	77
1. Status of Ownership of Shares	77
2. Status of Trading of Shares	80
3. Material Agreements Executed in Connection with the Shares	80
4. Agreements for Purchase, Etc. of the Shares on or after the Submission Date of this Statement	80
IV. Transactions, Etc. Between the Tender Offeror and the Target Company	81
1. Existence of Transactions Between the Tender Offeror and the Target Company or its Officers and the Details Thereof	81
2. Existence of Agreements Between the Tender Offeror and the Target Company or its Officers, and the Details Thereof	82
V. Status of the Target Company	83
1. Profits and Losses for the Past Three Years	83
2. Share Price	84
3. Shareholders	84
4. Matters Concerning the Target Company as a Continuous Disclosure Company	86
5. Details of Facts Concerning the Implementation of Tender Offer, Etc. on Which Information has been Received	86
6. Other Matters	86
Overview of Business Activities and Key Management Indicators, etc., Relating to the Tender Offeror	88
Key Management Indicators, Etc. Relating to the Target Company	95

## **I. Terms of the Tender Offer**

### **1. Name of the Target Company**

NTT DATA Group Corporation

### **2. Class of Shares to be Purchased**

Common stock (the “**Target Company Shares**”)

### **3. Purpose of the Purchase**

#### **(1) Overview of the Tender Offer**

As of the submission date of this Statement, the Tender Offeror owns 809,677,800 Target Company Shares (Ownership Ratio (Note 1): 57.73% (rounded to two decimal places; the same applies hereinafter in calculating a ratio unless otherwise stipulated)), which are listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “**Tokyo Stock Exchange**”), and the Target Company is a consolidated subsidiary of the Tender Offeror.

(Note 1) “Ownership Ratio” means a ratio of a number of shares to the number of Target Company Shares (1,402,488,768 shares) as calculated by deducting the number of the treasury shares owned by the Target Company as of March 31, 2025 as stated in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (IFRS)” released by the Target Company on May 8, 2025 (the “**Target Company Financial Results**”) (11,232 shares) (the treasury shares owned by the Target Company do not include the Target Company Shares (402,100 shares) owned in the trust account of the stock delivery trust established for the stock remuneration plan for directors, etc., because these can be tendered in the Tender Offer if certain procedures are followed; the same applies hereinafter for the number of the treasury shares owned by the Target Company) from the total number of issued shares of the Target Company as of March 31, 2025 as stated in the Target Company Financial Results (1,402,500,000 shares).

As stated in “(i) Background Leading to the Decision to Implement the Tender Offer and Purpose and Decision-Making Process of the Tender Offer” in “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” below, the Tender Offeror decided by the resolution of its board of directors on May 8, 2025 to implement the Tender Offer as part of the transaction for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and the treasury shares owned by the Target Company) (the “**Transaction**”).

Since the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, it has set the minimum number of shares to be purchased in the Tender Offer at 125,314,700 shares (Ownership Ratio: 8.94%) (Note 2), and if the total number of shares tendered in response to the Tender Offer (the “**Tendered Shares**”) is less than the minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Shares. However, as stated above, the purpose of the Tender Offer is to make the Target Company a wholly-owned subsidiary of the Tender Offeror, and the Tender Offeror has not set a maximum number of shares to be purchased; therefore, if the total number of Tendered Shares

is equal to or greater than the minimum number of shares to be purchased, the Tender Offeror will purchase all of the Tendered Shares.

(Note 2) The minimum number of shares to be purchased is set at 125,314,700 shares, which is calculated by (i) taking the number of voting rights (14,024,887 voting rights) of the number of shares (1,402,488,768 shares), as calculated by deducting the number of the treasury shares owned by the Target Company as of March 31, 2025 as stated in the Target Company Financial Results (11,232 shares) from the total number of issued shares of the Target Company as of March 31, 2025 as stated in the Target Company Financial Results (1,402,500,000 shares), (ii) calculating the minimum number of voting rights required to exceed two-thirds thereof (9,349,925 voting rights), (iii) multiplying that number by the number of Target Company Shares in one share unit (100 shares) to calculate a number of shares (934,992,500 shares), and (iv) subtracting the number of Target Company Shares owned by the Tender Offeror (809,677,800 shares). Since the Tender Offer intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror fails to acquire all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and the treasury shares held by the Target Company) through the Tender Offer despite completion of the Tender Offer, and then conducts the procedures for the share consolidation stated in “(5) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below, it requires a special resolution of the shareholders meeting as set forth in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same). The minimum the number of shares to be purchased is set to ensure that the Tender Offeror satisfies that requirement.

Further, since the Tender Offeror’s purpose is to make the Target Company a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and the treasury shares owned by the Target Company) through the Tender Offer, the Tender Offeror intends to conduct a series of procedures to become the sole shareholder of the Target Company (the “**Squeeze-Out Procedures**”). For details, see “(5) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below.

According to the “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Tender Offer for Company Shares by NIPPON TELEGRAPH AND TELEPHONE CORPORATION, the Parent Company of the Company” released on May 8, 2025 by the Target Company (the “**Target Company Press Release**”), the Target Company resolved at the meeting of its board of directors held on that date to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For details regarding the resolution of the board of directors of the Target Company, see the Target Company Press Release and “(viii) Approval of All Non-Interested Directors of the Target Company (Including Audit and Supervisory Committee Members)” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below.

- (2) **Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer**
- (i) **Background Leading to the Decision to Implement the Tender Offer and Purpose and Decision-Making Process of the Tender Offer**

The Tender Offeror was incorporated on April 1, 1985 pursuant to the Act on Nippon Telegraph and Telephone Corporation, etc. (Act No. 85 of 1984). The Tender Offeror was listed on the First Section of the Tokyo Stock Exchange, the First Section of the Osaka Stock Exchange, the First Section of the Nagoya Stock Exchange, the Kyoto Stock Exchange, the Hiroshima Stock Exchange, the Fukuoka Stock Exchange, the Niigata Stock Exchange, and the Sapporo Stock Exchange in February 1987, and subsequently listed on the New York Stock Exchange in September 1994 (from which the Tender Offeror was delisted in April 2017) and on the London Stock Exchange in October 1994 (from which the Tender Offeror was delisted in March 2014). The Tender Offeror is currently listed on the Prime Market of the Tokyo Stock Exchange. As of March 31, 2025, the Tender Offeror has 992 consolidated subsidiaries and 151 affiliates (the Tender Offeror and those consolidated subsidiaries and affiliates are collectively referred to as the “**Tender Offeror Group**”). The main businesses of the Tender Offeror Group are as follows:

- i) Integrated ICT Business: Mobile phone services, domestic inter-prefectural communications services, international communications services, solutions services, systems development services, and related services
- ii) Regional Communications Business Segment: Domestic intra-prefectural communications services and related ancillary services
- iii) Global Solutions Business: Systems integration services, network systems services, cloud services, global data center services, and related services
- iv) Others: Real estate business, energy business, and others

On May 12, 2023, the Tender Offeror Group formulated and announced its medium-term management strategy “New value creation & Sustainability 2027 powered by IOWN” (Note 1) (the “**Medium-Term Management Strategy of the Tender Offeror Group**”). In the Medium-Term Management Strategy of the Tender Offeror Group, the Tender Offeror Group sets out its fundamental principle to the effect that “NTT will continue to take on challenges. For the creation of new value and for the sustainability of the Earth,” and with maintaining the sustainability of the Earth at the core of its business, establishes the following three pillars toward balancing the creation of new value for that purpose with the sustainable growth and development of the Tender Offeror Group’s business, and enhancing its corporate value.

- i) NTT as a Creator of New Value and Accelerator of a Global Sustainable Society
  - (A) IOWN-Driven Creation of New Value
  - (B) Data-Driven Creation of New Value (Note 2)
  - (C) Achievement of a Circular Economy Society
  - (D) Further Strengthening of Business Foundations
- ii) Upgrading the Customer Experience (CX)
  - (E) Fusion of Research and Development with a Market-Focused Strategy
  - (F) Strengthening of Services that Emphasize Customer Experience (CX)
- iii) Improving the Employee Experience (EX)
  - (G) Open and Innovative Corporate Culture



(H) Support Career Growth

(I) Global Benefits for Employees and their Families

(Note 1) Innovative Optical & Wireless Network. The concept of a network and information processing infrastructure, including terminal devices, that can provide high-speed, large-capacity communications and vast computing resources that transcend the limits of conventional infrastructure by leveraging innovative technologies centered on optics.

(Note 2) An approach that utilizes data and analysis results as a main source of information to make decisions objectively.

On the other hand, according to the Target Company Press Release, the Target Company was established on May 23, 1988, for the purpose of separating and making independent the business operated by the Data Communications Division of the Tender Offeror from the Tender Offeror in the interests of promoting efficient business operations and other considerations. The Target Company commenced its operations on July 1, 1988, by assuming such business. Subsequently, in April 1995, the Target Company was listed on the Second Section of the Tokyo Stock Exchange, and in September 1996, it was designated for listing on the First Section of the Tokyo Stock Exchange. Currently, the Target Company is listed on the Prime Market of the Tokyo Stock Exchange following the market segment reorganization of the Tokyo Stock Exchange that took effect on April 4, 2022.

As of the submission date of this Statement, the Target Company Group (meaning the Target Company, its consolidated subsidiaries, and equity method affiliates), which belongs to the Tender Offeror Group, with the Tender Offeror as the parent company, operates its business primarily through two segments: the Japan Segment and the Overseas Segment. On July 1, 2023, the Target Company Group transitioned to a holding company structure, and as of the same date, the Target Company changed its trade name to “NTT DATA Group Corporation”. In connection with this transition, from the fiscal year ending March 31, 2024, the Target Company changed the classification of its reportable segments. Under the new structure, the Target Company Group exercises group-level management, while autonomous business operations are conducted by each of its consolidated subsidiaries, NTT DATA Japan Corporation, which handles domestic business, and NTT DATA, Inc., which handles overseas business. This structure enables both agile business execution and appropriate governance.

In the Japan Segment, the Target Company mainly provides high value-added IT services such as solutions for corporate issues and DX (Digital Transformation) (Note 3), taking into account the market characteristics in Japan. This segment consists of three fields: Public & Social Infrastructure, Financial, and Corporate. As of March 31, 2025, the Target Company Group conducts operations through 87 consolidated subsidiaries and 21 equity-method affiliates. In the Overseas Segment, the Target Company mainly provides high value-added IT services such as solutions for corporate issues and DX, taking into account the market characteristics in overseas businesses. This segment consists of regional units covering North America (including the United States and other countries), EMEAL (Europe, Middle East, Africa, and Latin America, and related regions), a regional unit supervising APAC (Asia and surrounding areas); Global Technology Services, which provides shared global infrastructure such as data centers and networks; and Business Solutions, a global unit that provides systems to integrate and manage corporate resources (personnel, materials and capital) and to optimize overall business processes. As of March 31, 2025, the Target Company Group conducts operations through 518 consolidated subsidiaries and 29 equity-method affiliates.

In recent years, rapid technological innovation has given rise to a society in which people and various materials are digitally connected through systems and networks, driving changes in an unprecedented speed across the social environment from corporate activities to consumer behavior and lifestyles. As technology continues to evolve, the needs of businesses and society are becoming increasingly diverse and sophisticated, heightening the importance of IT services that can effectively address these demands. As a result, the Target Company expects that the demand for IT services providers including itself will continue expanding steadily in the future. On the other hand, market competition is intensifying due to the entry into the digital domain not only of existing IT services providers, but also consulting firms and a variety of technology vendors. Under these competitive circumstances, the Target Company Group believes that it is essential to establish a competitive advantage at the global level in order to continue delivering value to customers and society. In order to achieve this, it is necessary to enhance the Target Company Group's offerings (Note 4) through strategic investments and to provide full-stack services (Note 5) by leveraging the collaboration among business segments and units where the Target Company Group has competitive strengths.

(Note 3) The use of ICT (Information and Communication Technology) tools to accumulate various types of data and utilize it in business management, thereby creating new business models and transforming existing businesses.

(Note 4) Methods by proposing consultation, service and solutions as a package in line with the issues and needs of customers.

(Note 5) Comprehensive services that support all stages of IT systems, from planning to construction and operation, covering consulting, software integration and software development, maintenance and support, and sales of data center services and communication terminal equipment sales, among others.

Based on the recognition above of the environment, in May 2022, the Target Company Group announced a new Mid-term Management Plan titled “Realizing a Sustainable Future – Connect people with technology to create value and a sustainable future with our clients.” covering the four-year period from April 2022 to March 2026. The Target Company is currently working to implement strategies aimed at achieving business growth and enhancing corporate value in the global market, with fiscal year 2025 positioned as the final year of this Mid-term Management Plan.

The capital relationship between the Tender Offeror and the Target Company began in May 1988, with the establishment of NTT DATA Communications Systems Corporation (renamed NTT DATA Corporation in August 1998 and NTT DATA Group Corporation upon the transition to a holding company structure in July 2023) entirely financed by the Tender Offeror, and in July 1988, the Target Company took over from the Tender Offeror the operation of its Data Communications Business and began business activities.

In April 1995, the Target Company listed on the Second Section of the Tokyo Stock Exchange (in September 1996, it was assigned to the First Section of the Tokyo Stock Exchange, and in April 2022, it moved to the Tokyo Stock Exchange's new Prime Market). After a capital increase to 67,335 million yen in February 1996 (simultaneous domestic and international offering), the Tender Offeror came to own 152,037 Target Company Shares as of the end of March 1996. The ratio of the number of shares owned by the Tender Offeror to the total number of issued shares of the Target Company as of each of these dates was 60.09% (the ratio of the number of shares owned by the Tender Offeror to the total number of issued shares of the Target Company (excluding treasury shares) as of a given date is referred to hereinafter as the “**Shareholding**

**Ratio”** and is rounded to the second decimal place). In May 1998, the Target Company increased its capital to 142,520 million yen (simultaneous domestic and international offering), and in August of the same year, conducted a 10-for-1 share split of its common stock, such that the Tender Offeror came to own 1,520,010 Target Company Shares (Shareholding Ratio: 54.19%) as of the end of March 1999.

In October 2013, the Target Company conducted a 100-for-1 share split of its common stock, such that the Tender Offeror came to own 152,001,000 Target Company Shares (Shareholding Ratio: 54.19%) as of the end of March 2014, and further, in July 2017, the Target Company conducted a 5-for-1 stock split of its common stock, such that the Tender Offeror came to own 760,005,000 Target Company Shares (Shareholding Ratio: 54.19%) as of the end of March 2018.

In November 2018, the Tender Offeror completed the transfer of 760,000,000 Target Company Shares to its wholly owned subsidiary, NTT, Inc., temporarily making NTT Corporation the direct parent company and major shareholder of the Target Company and the Tender Offeror the ultimate parent company of the Target Company.

In October 2022, NTT, Inc. made a distribution in kind to the Tender Offeror of all of the Target Company Shares that it owned. Through this process, the Tender Offeror again became the sole parent company of the Target Company, and through multiple purchases of Target Company Shares, came to own 809,677,800 Target Company Shares (Shareholding Ratio: 57.73%) as of the end of March 2023. As of the submission date of this Statement, the number of the Target Company Shares owned by the Tender Offeror, and its Shareholding Ratio, are unchanged.

In the current business environment surrounding the Tender Offeror Group, including the Target Company, work styles and lifestyles that meld the real and the online are taking root, the use of generative AI and robotics (Note 6) are evolving and becoming more widespread, and digital transformation (DX) continues to progress. On the other hand, challenges are visible in the negative aspects of digitalization, including increased power consumption, growing cyber crime that exploits the inadequacy of corporate systems through malware, ransomware, and the like, and the surveillance society. In addition, the environment that is the basis for the Tender Offeror Group’s sustainable operations is changing significantly, including the growing importance of economic security including securing the safety and stability of communications and other key infrastructure, and the intensification of natural disasters on a global scale.

In light of this situation, the Target Company believes that the current trends in the business environment will grow more severe in the future, as competition in the IT industry intensifies and efforts to become carbon neutral accelerate. The severity of these trends is growing faster than expected, and in order to establish a competitive advantage, achieve further growth and increase corporate value under such circumstances, the Tender Offeror believes flexible investments and stronger cooperation within the Tender Offeror Group as a whole are required more than ever.

(Note 6) Technology that outputs original data based on data learned by artificial intelligence (AI).

Given these circumstances, the Target Company Group recognizes that the consolidation of the overseas businesses of the Tender Offeror and the Target Company under the umbrella of the Target Company, which was announced by the Tender Offeror and the Target Company in 2022, has enabled the provision of services that leverage various customer contact points and data, resulting in a unified service lineup as necessary for DX and a competitive advantage in responding to increasingly diversified and sophisticated customer needs on a global level. The Target Company is further investing in data centers and corporate acquisitions, aiming to enhance its corporate value through medium- and long-term performance improvements, but in

order to respond to further changes in the business environment going forward, such as increasing demand for AI, the Tender Offeror believes that it may need to make more agile growth investments and strengthen its portfolio of global solution businesses.

The Tender Offeror Group also positions the system integration business and data center business of the Target Company Group as important pillars in the global solutions business in Medium-Term Management Strategy of the Tender Offeror Group. The Tender Offeror Group has set the goal of strengthening the use of DX/data in society and industry, including the Target Company Group's systems integration business, and proactively investing in the data center business by the end of FY 2027, positioning these businesses as the driving force behind the Tender Offeror Group's growth.

However, the current capital relationship between the Target Company and the Tender Offeror is subject to challenges including the potential conflict of interest between the Tender Offeror and the minority shareholders of the Target Company Group due to the dual listing of both parent and subsidiary; the complexity of the decision-making processes; and the difficulty of being accountable to two sets of shareholders when the Tender Offeror Group invests management resources in the Target Company Group, given that the risks and returns associated with the measures taken by the Target Company Group are shared with shareholders outside the group. By completely aligning the interests of the two companies and unifying the decision-making process through the Transaction, the Tender Offeror Group intends to establish a structure in which the Target Company Group will play a central role in the Tender Offeror's global solutions business, and to further accelerate the growth of the Target Company Group by making agile growth investments in cooperation with the Target Company in response to recent rapid changes in the business environment.

Specifically, the Tender Offeror Group plans to implement the following measures to promote the realization of synergies.

**i) Enhance the portfolio of the global solutions business through agile growth investments**

The Tender Offeror Group anticipates that in order to improve growth in the global solutions business, it will continue to be necessary to expand and upgrade data centers in response to the growing demand for AI; establish a global presence, particularly in the North American market, which has the greatest demand globally and continues to produce the latest technologies; and make growth investments in areas like AI-enabled services (generative AI, agent AI, and the like), which are expected to experience rapid market expansion, and digital engineering (Note 7), which is expected to see high growth and smooth global expansion. More agile investments at appropriate times in response to changes in the environment in investment targets that contribute to the business portfolio can be achieved by making unified decisions while leveraging the cash flow and financing capabilities of the Tender Offeror Group. The overall business portfolio of the Target Company Group will be enhanced by integrating these investment targets with the Target Company Group's existing business portfolio.

(Note 7) The use of digital technology to provide solutions that contribute to resolving customers' problems.

**ii) Enhance coordination of group resources/capabilities (corporate sales and R&D) with the Tender Offeror Group**

In the area of corporate sales, the Tender Offeror Group will collaborate closely with the Target Company Group in the operation of its business to strengthen and expand sales of integrated solutions for large corporations by combining the customer bases and offerings of the companies of the Target Company Group and the Tender Offeror Group (described in "(iii) Management

Policy after Completion of the Tender Offer” below), and will also increase sales to municipalities and small and medium-sized companies by leveraging the software assets developed by the Target Company Group. In the area of research and development, the Tender Offeror Group and the Target Company Group will apply the fruits of the Tender Offeror Group’s research and development for the Target Company Group to improve competitiveness through development of data centers by achieving added value by utilizing IOWN, etc. in addition to capacity, and apply the fruits of the Tender Offeror Group’s research and development for the Target Company Group to promote real-world implementation of AI leveraging the Tender Offeror’s tsuzumi LLM (Note 8) in order to improve profitability. The Tender Offeror believes that the Transaction will allow both parties greater flexibility in contributing and deploying resources, and will contribute to the flexible resolution of issues toward the expansion of business opportunities, the enhancement of competitiveness, and the optimization of resources in order to accelerate coordination between the two groups in corporate sales and research and development with greater flexibility than ever before.

(Note 8) Large Language Models. A language model trained on a large amount of text data, with a strong ability to understand language and generate sentences. The tsuzumi LLM has been developed by the Tender Offeror and is characterized by advanced Japanese language processing capabilities, which have demonstrated high accuracy compared to various benchmarks.

**iii) Measures to facilitate rapid decision-making and improve cost-competitiveness and customer/employee experience by optimizing governance and workflows**

The Tender Offeror Group will facilitate rapid decision-making in the Target Company Group and optimize resource and assets of the Tender Offeror Group and the Target Company Group by simplifying governance and consolidating overlapping functions of the Tender Offeror Group and the Target Company Group related to the global solutions business, and promote cross-group DX of shared internal operations in the areas of software development and corporate sales by maximizing the use of AI. The Tender Offeror believes that lowering hurdles to transferring resources between the Tender Offeror Group and the Target Company Group through the Transaction will facilitate the elimination of duplicative business processes, and Tender Offeror intends to design lean processes and reduce costs by leveraging AI. Tender Offeror also believes that optimizing governance and workflows through the rapid and efficient process design leveraging cross-group DX and AI described above will not only improve cost efficiency and employee experience through improving operational efficiency, but will also enhance customer experience by improving and updating services continuously.

The Tender Offeror has also considered the disadvantages of delisting the Target Company in connection with the Transaction. While there is a potential disadvantage in that the means of financing through the stock market will become limited as a result of delisting, the Tender Offeror believes that the impact of that disadvantage will be limited because there are alternative means to financing through the stock market, such as group financing, to meet funding needs. The Tender Offeror expects that the integration between the Target Company Group and the Tender Offeror Group will be further strengthened by the Transaction, promoting synergies, and does not anticipate any dis-synergies that would materially impact the Target Company Group’s business.

With this understanding, the Tender Offeror began deliberating the Transaction in early September 2024, and after retaining Nomura Securities Co., Ltd. (“**Nomura Securities**”) as its financial advisor and third-party valuation agent independent of the Tender Offeror and the Target Company in late September, 2024, and Mori Hamada & Matsumoto as its legal advisor

in early October 2024, began full-fledged deliberations of the Transaction, and on November 1, 2024, notified the Target Company that it had begun deliberations toward implementing the Transaction. Subsequently, on December 18, 2024, the Tender Offeror submitted an initial letter of intent to the Target Company, which included an outline of the Transaction and the anticipated initiatives after the Transaction.

The Tender Offeror and the Target Company then began concrete discussions and deliberations regarding the Transaction. Specifically, the Tender Offeror conducted due diligence on the Target Company from early February through mid-March 2025. On February 1, 2025, the Tender Offeror received written questions from the Special Committee (defined in “(ii) Process leading to and Reasons for the Target Company’s Decision to Support the Tender Offer” below; the same applies hereinafter) in light of the initial letter of intent of December 18, 2024, regarding the significance, purpose, and expected synergies of the Transaction and the management policy for the Target Company Group after the Transaction, and submitted written responses to those questions on February 20, 2025. On March 5, 2025, the Tender Offeror received additional questions regarding the significance and purpose of the Transaction in writing from the Special Committee, and at the meeting of the Special Committee held on March 12, 2025, the Tender Offeror answered those additional questions and held a question and answer session and discussions with the Special Committee. On March 19, 2025, the Tender Offeror submitted its responses to the additional questions in writing. The Tender Offeror received additional written questions regarding the significance and purpose of the Transaction from the Special Committee on March 31, 2025, and submitted written responses to those additional questions on April 14, 2025.

The Tender Offeror negotiated with the Target Company on multiple occasions beginning on April 8, 2025 with respect to the price of purchase, etc. in the Tender Offer (the “**Tender Offer Price**”). Specifically, on April 8, 2025, based on comprehensive consideration of the information obtained through the due diligence conducted on the Target Company by the Tender Offeror, the initial analysis of the value of the Target Company Shares conducted by the financial advisor Nomura Securities based on that information, and initial analysis of the value of the Target Company Shares conducted by the Tender Offeror based on that information, the Tender Offeror made an initial proposal with regard to the Transaction, including setting the Tender Offer Price at 3,200 yen (representing a premium of 33.89% to 2390.0 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the preceding business day; this and all premium rates hereinafter are rounded to the second decimal place) and the Tender Offer Period at around 30 business days, setting no maximum number of shares to be purchased in the Tender Offer, and setting the minimum number of shares to be purchased at the number of shares such that after the Tender Offer, the Tender Offeror would own at least two thirds of the voting rights of the Target Company (note that all price proposals made by the Tender Offeror are based on the assumption that no dividends will be paid by the Target Company prior to the completion of the Transaction, except for the year-end dividend of 12.5 yen per share for the fiscal year ended March 31, 2025). On April 9, 2025, the Tender Offeror received a request from the Target Company and the Special Committee to reconsider the Tender Offer Price, stating that the Tender Offer Price was significantly less than the intrinsic value of the Target Company Shares.

In response, on April 15, 2025, the Tender Offeror proposed to set the Tender Offer Price at 3,400 yen (representing a premium of 35.43% to 2,510.5 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the preceding business day). On April 16, 2025, the Tender Offeror received a request from the Target Company and the Special Committee to reconsider the Tender Offer Price, stating that the Tender Offer Price still did not reflect the intrinsic value of the Target Company Shares.

In response, on April 22, 2025, the Tender Offeror proposed to set the Tender Offer Price at 3,700 yen (representing a premium of 42.86% to 2,590.0 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the preceding business day). On April 23, 2025, the Tender Offeror received a request from the Target Company and the Special Committee to reconsider the Tender Offer Price, stating that the Tender Offer Price still did not sufficiently reflect the intrinsic value of the Target Company and did not represent a fair and rational economic condition for the general shareholders of the Target Company.

In response, on April 28, 2025, the Tender Offeror proposed to set the Tender Offer Price at 3,800 yen (representing a premium of 37.33% to 2,767.0 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the preceding business day). On the same day, the Tender Offeror received a request from the Target Company and the Special Committee to reconsider the Tender Offer Price, stating that the Tender Offer Price still did not sufficiently reflect the intrinsic value of the Target Company and did not represent a fair and rational economic condition for the general shareholders of the Target Company.

In response, on May 1, 2025, the Tender Offeror proposed to set the Tender Offer Price at 4,000 yen (representing a premium of 41.47% to 2,827.5 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the preceding business day). On May 2, 2025, the Tender Offeror received a response from the Target Company and the Special Committee to the effect that they would accept the Tender Offeror's proposal.

Based on the above process, the Tender Offeror concluded that making the Target Company a wholly-owned subsidiary of the Tender Offeror would contribute to the enhancement of the corporate value of the Tender Offeror Group as a whole, and decided to conduct the Tender Offer as part of the Transaction by a resolution of the board of directors dated May 8, 2025.

## **(ii) Process leading to and Reasons for the Target Company's Decision to Support the Tender Offer**

### **i) Background of the Establishment of the Review System**

According to the Target Company Press Release, on November 1, 2024, the Target Company received a notice from the Tender Offeror that it had commenced consideration of the Transaction. In response, in considering the Transaction and in discussing and negotiating with the Tender Offeror regarding the Transaction, since the Tender Offeror is the controlling shareholder (parent company) of the Target Company, whose Ownership Ratio of the Target Company Shares was 57.73%, the Transaction including the Tender Offer constitutes a material transaction, etc. with the controlling shareholder, and the Transaction is a transaction in which structural conflicts of interest and information asymmetry issues typically arise. In order to address these issues and to ensure the fairness of the Transaction, in late November 2024, the Target Company retained Nakamura, Tsunoda & Matsumoto and Nagashima Ohno & Tsunematsu as legal advisors, independent from the Tender Offeror and the Target Company Group, and retained Daiwa Securities Co., Ltd. ("**Daiwa Securities**") as its financial advisor and third-party valuation agent, independent from the Tender Offeror and the Target Company Group. Subsequently, the Target Company received an initial letter of intent regarding the Transaction from the Tender Offeror on December 18, 2024. Upon receiving such letter of intent, and in order to ensure the fairness of the Transaction, the Target Company, based on the advice of Nakamura, Tsunoda & Matsumoto, immediately commenced the establishment of a system to examine, negotiate, and make decisions regarding the Transaction from an independent standpoint from the Tender Offeror and from the perspectives of enhancing the Target Company's corporate value and securing the interests of its general shareholders. Specifically, the Target Company proceeded

with preparations for the establishment of a Special Committee as described in “(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below. After making preparations for the establishment of such Special Committee, the Target Company resolved at a meeting of its board of directors held on December 24, 2024, after receiving the Tender Offeror’s initial letter of intent on December 18, 2024, that the Target Company would establish the Special Committee (the “**Special Committee**”) composed of the three following members: Mr. Fumihiko Ike (independent outside director of the Target Company; outside director of Resona Holdings, Inc.; outside director of Eisai Co., Ltd.), Ms. Mariko Fujii (independent outside director of the Target Company; professor emeritus at the University of Tokyo; outside director of Mitsubishi UFJ Financial Group, Inc.), and Mr. Shigenao Ishiguro (independent outside director of the Target Company; outside director of Ricoh Company, Ltd.) (For details of the Special Committee’s background of consideration and decisions, please refer to “(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below). The Target Company consulted with the Special Committee to consider and provide opinions to the Target Company’s board of directors regarding the following matters (all of the following consulting matters to be hereinafter referred to as “**Consultation Matters**”): (i) whether the purpose of the Transaction is justifiable and reasonable (including whether the Transaction will contribute to the enhancement of the Target Company’s corporate value); (ii) whether the terms and conditions of the Transaction (including the Tender Offer Price) are fair and reasonable; (iii) whether sufficient consideration has been given to the interests of the Target Company’s shareholders through fair procedures in the Transaction; (iv) in addition to (i) through (iii) above, whether the decision regarding the Transaction (specifically the decision for the Target Company to express its opinion in favor of the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer, as well as the decision to approve the Tender Offeror’s Demand for Share Transfers (as defined in “(i) Demand for Share Transfers” in “Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below; the same shall apply hereinafter), or the Target Company’s decision to implement a Share Consolidation (as defined in “(ii) Share Consolidation” in “(5) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below; the same shall apply hereinafter), each of which is a procedure necessary for the Tender Offeror to make the Target Company its wholly-owned subsidiary as described in “(5) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below) would not be disadvantageous to the Target Company’s minority shareholders; (v) the appropriateness of the Target Company’s board of directors to express its opinion in favor of the Tender Offer and to recommend the Target Company’s shareholders to tender their shares in the Tender Offer. In establishing the Special Committee, the Target Company’s board of directors resolved to make decisions regarding the Transaction with the utmost respect for the content of the determination of the Special Committee, and, if the Special Committee determines that the terms of the Transaction are not appropriate, not to approve the Transaction (including not to express its opinion in favor of the Tender Offer). In addition, the Target Company’s board of directors resolved to grant authority to the Special Committee to (i) ensure that it has substantial influence over the negotiation process between the Target Company and the Tender Offeror regarding the terms of the



Transaction (for this purpose, the directors who negotiate with the Tender Offeror in accordance with the intention of the board of directors of the Target Company must confirm the negotiation policy with the Special Committee in advance, report the status of negotiations to the Special Committee in a timely manner, and obtain opinions of the Special Committee at key phases of negotiations and negotiate in consideration of the instructions or requests of the Special Committee, and the Special Committee may, if necessary, negotiate with the Tender Offeror directly) (ii) appoint its own advisors when considering and making decisions on the Consultation Matters (in such cases, the reasonable costs shall be borne by the Target Company), to designate or approve (including retroactive approval) the Target Company's advisors and, upon confirming that there are no issues with the independence and expertise of the Target Company's advisors, to seek professional advice from the Target Company's advisors; and (iii) in order to ensure appropriate judgment, to require the attendance at Special Committee meetings of the Target Company's directors, employees, and other persons deemed necessary by the Special Committee and to request explanations in relation to necessary information from them (for the method of the resolution at such meeting of the board of directors, please refer to "(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee" in "Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" in "Background of the Valuation" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Shares to be Purchased" below).

As described in "(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee" in "Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" in "Background of the Valuation" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Shares to be Purchased" below, on December 24, 2024, the Special Committee decided, based on the above authorization, to retain Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("**Nishimura & Asahi**") as its own legal advisor, and PLUTUS CONSULTING Co., Ltd. ("**PLUTUS CONSULTING**") as its independent financial advisor and third-party valuation agent.

In addition, as described in "(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee" in "Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" in "Background of the Valuation" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Shares to be Purchased" below, the Special Committee confirmed that there were no issues regarding the independence of the Target Company's financial advisor and third-party valuation agent, and Nakamura, Tsunoda & Matsumoto and Nagashima, Ohno & Tsunematsu, the Target Company's legal advisors, and approved the Target Company's appointment of such advisors.

Furthermore, as described in "(iv) Establishment of an Independent Review System in the Target Company" in "Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" in "Background of the Valuation" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Shares to be Purchased" below, the Target Company established an internal framework for independently considering, negotiating, and making decisions regarding the Transaction independently from the Tender Offeror (including the scope of the Target Company's officers and employees involved in such consideration, negotiation and decision-making of the Transaction and their respective duties), and the Target Company has obtained the Special Committee's approval that there are no issues with the independence and fairness of such review system.

## **ii) Background of Consideration and Negotiation**

Based on the above, the Target Company received a report from Daiwa Securities on the results of the valuation of Target Company Shares, advice on the negotiation policy with the Tender Offeror and other advice from a financial standpoint, as well as advice from Nakamura, Tsunoda & Matsumoto and Nagashima, Ohno & Tsunematsu on measures to ensure the fairness of the procedures in the Transaction and other legal advice. Based on such advice, and with the utmost respect for the content of the Special Committee's opinion, the Target Company has carefully discussed and considered the merits of the Transaction and the appropriateness of the terms and conditions of the Transaction.

Since receiving the initial letter of intent regarding the Transaction from the Tender Offeror on December 18, 2024, the Target Company has continuously discussed and negotiated the terms and conditions of the Transaction, including the Tender Offer Price, with the Tender Offeror.

Specifically, based on the receipt of the initial letter of intent regarding the Transaction on December 18, 2024, the Target Company and the Special Committee proceeded with consideration and discussions in the Special Committee, and on February 1, 2025, submitted written questions to the Tender Offeror in writing regarding the significance and purpose of the Transaction, etc., and on February 20, 2025, the Target Company and the Special Committee received a written response from the Tender Offeror to these questions. Furthermore, based on such response, the Target Company and the Special Committee submitted additional written questions regarding the significance and purpose of the transaction, etc. on March 5, 2025, and at the meeting of the Special Committee held on March 12, 2025, the Target Company and the Special Committee received responses to such additional questions from the Tender Offeror and held a question-and-answer session and discussions with the Tender Offeror, and on March 19, 2025, the Target Company and the Special Committee received written responses from the Tender Offeror to such additional questions. Furthermore, the Tender Offeror received additional written questions from the Target Company and the Special Committee regarding the significance and purpose of the Transaction on March 31, 2025, to which the Tender Offeror submitted written answers on April 14, 2025.

With respect to the Tender Offer Price, the Target Company has engaged in multiple rounds of negotiations with the Tender Offeror since April 8, 2025. Specifically, the Target Company, having considered (i) the information obtained through the due diligence conducted by the Tender Offeror on the Target Company, (ii) the initial analysis of the value of the Target Company Shares prepared by Nomura Securities, the Tender Offeror's financial advisor, based on such information, and (iii) the Target Company's initial analysis of the value of the Target Company Shares based on such information, received an initial proposal from the Tender Offeror on April 8, 2025, regarding the Transaction. Such initial proposal included setting the Tender Offer Price at 3,200 yen per share, representing a premium of 33.89% over 2,390.0 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the immediately preceding business day; setting the tender offer period at approximately 30 business days; not setting a maximum number of shares to be purchased, with the minimum number set at a number of shares that would result in the Tender Offeror holding at least two-thirds of the total voting rights of the Target Company following the Tender Offer. All Tender Offer Price proposals by the Tender Offeror were made on the basis that, except for a year-end dividend of 12.5 yen per share for the fiscal year ending March 2025, the Target Company would not make

any dividend payments prior to the completion of the Transaction. Thereafter, on April 9, 2025, the Target Company and the Special Committee requested that the Tender Offeror reconsider the proposed Tender Offer Price, stating that the proposed price of 3,200 yen significantly undervalued the intrinsic value of the Target Company Shares. In response, on April 15, 2025, the Tender Offeror proposed raising the Tender Offer Price to 3,400 yen (representing a premium of 35.43% over the closing price of 2,510.5 yen as of the immediately preceding business day). In response, on April 16, 2025, the Target Company and the Special Committee again requested the Tender Offeror to make a further revision to the Tender Offer Price, stating that the proposed Tender Offer Price still did not reflect the intrinsic value of the Target Company Shares. In response, on April 22, 2025, the Tender Offeror proposed increasing the Tender Offer Price to 3,700 yen (representing a premium of 42.86% over 2,590.0 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the immediately preceding business day). However, on April 23, 2025, the Target Company and the Special Committee requested a revised proposal regarding the Tender Offer Price, stating that the proposed Tender Offer Price did not sufficiently reflect the intrinsic value of the Target Company and could not be considered fair or reasonable economic terms for the Target Company's general shareholders. The Target Company received a proposal from the Tender Offeror on April 28, 2025, regarding the Transaction, which included setting the Tender Offer Price at 3,800 yen per share (representing a premium of 37.33% over 2,767.0 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the immediately preceding business day). In response, on the same day, the Target Company and the Special Committee requested a further revision of the Tender Offer Price, stating that it still did not adequately reflect the Target Company's intrinsic value and could not be regarded as fair and reasonable economic terms for the Target Company's general shareholders. Subsequently, on May 1, 2025, the Target Company received a proposal from the Tender Offeror regarding the Transaction, which included setting the Tender Offer Price at 4,000 yen per share (representing a premium of 41.47% over 2,827.5 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of the immediately preceding business day). Then, on May 2, 2025, the Target Company sent a response to the Tender Offeror stating that the Target Company would accept the Tender Offeror's proposal.

In the course of the above consideration and negotiation process, in discussing and negotiating with the Tender Offeror regarding the Tender Offer Price, the Target Company conducted its deliberations based on the opinions received from the Special Committee and advice from Daiwa Securities and Nakamura, Tsunoda & Matsumoto, and in doing so, the Special Committee, from time to time, received advice from its own advisors, PLUTUS CONSULTING and Nishimura & Asahi, as well as exchanged opinions with the Target Company and its advisors, and confirmed and approved the Tender Offer Price appropriately. Specifically, first, the Special Committee confirmed and approved the reasonableness of the details, material assumptions, and the process of preparation, etc. of the Target Company Group's business plan, which the Target Company had presented to the Tender Offeror and which Daiwa Securities and PLUTUS CONSULTING used as the basis for their calculation of the value of the Target Company Shares. Based on this, the Target Company submitted the Target Company Group's business plan to the Tender Offeror and Nomura Securities, respectively, on March 7, 2025. The Target Company revised part of such business plan at the end of April 2025, based on the latest situation including that the intended sales price and sales revenue for the sale of the data center assets in the fiscal year ending March 31, 2026 has been elaborated through the real estate appraisal regarding such sales (please refer to "(2) Release of the "Notice Regarding Transfer of Fixed Assets (Data Center) of Consolidated Subsidiary"" in "6. Other Matters" in "V. Status of the Target Company" below for

the sale of such data center equipment), and received approval from the Special Committee on April 25, 2025 regarding the reasonableness of the content and background of such revision. Then, the Target Company submitted such Target Company Group's revised business plan to the Tender Offeror and Nomura Securities, respectively, on April 25, 2025. In negotiating with the Tender Offeror, Daiwa Securities, the financial advisor of the Target Company, promptly reported to the Special Committee each time it received a proposal from the Tender Offeror regarding the Tender Offer Price, and based on the opinions, instructions, requests, etc. from the Special Committee regarding the negotiation policy with the Tender Offeror, responded accordingly.

Then, on May 7, 2025, the Target Company received a written report (the “**Advisory Report**”) from the Special Committee stating that it was of the view that (i) the Transaction will contribute to the enhancement of the Target Company's corporate value and the purpose of the Transaction is justifiable and reasonable; (ii) the terms and conditions of the Transaction (including the Tender Offer Price) are fair and reasonable; (iii) sufficient consideration has been given to the interests of the Target Company's shareholders through fair procedures in the Transaction; (iv) the decision regarding the Transaction would not be disadvantageous to the Target Company's minority shareholders; and (v) it is appropriate for the Target Company's board of directors to express its opinion in favor of the Tender Offer and to recommend the Target Company's shareholders to tender their shares (for an overview of the Advisory Report, please refer to “(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below). In addition, the Target Company received from the Special Committee, together with the Advisory Report, the share valuation report (the “**Share Valuation Report (PLUTUS CONSULTING)**”), which the Special Committee received from PLUTUS CONSULTING on May 7, 2025, regarding the Target Company Shares and a fairness opinion stating that the Tender Offer Price of 4,000 yen per share is fair to the Target Company's minority shareholders from a financial standpoint (the “**Fairness Opinion (PLUTUS CONSULTING)**”). (For a summary of the Share Valuation Report (PLUTUS CONSULTING) and the Fairness Opinion (PLUTUS CONSULTING), please refer to “(vi) Obtaining a Share Valuation Report from a Third-Party Valuation Agent and Obtaining a Fairness Opinion by the Special Committee” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below).

### **iii) Contents of the Determination**

Based on the above background, at the meeting of the board of directors of the Target Company held on May 8, 2025, the Target Company carefully discussed and examined whether the Transaction, including the Tender Offer, would contribute to the enhancement of the Target Company's corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, would be appropriate. In the process of such discussions and examinations, the Target Company considered the legal advice received from Nakamura, Tsunoda & Matsumoto and Nagashima Ohno & Tsunematsu, the financial advice from Daiwa Securities, the contents of the share valuation report submitted by Daiwa Securities dated May 7, 2025, regarding the Target Company Shares (the “**Share Valuation Report (Daiwa**

**Securities**))), the fairness opinion dated May 7, 2025, from Daiwa Securities (the “**Fairness Opinion (Daiwa Securities)**”), stating that the Tender Offer Price of 4,000 yen per share is fair to the Target Company’s minority shareholders from a financial standpoint, and the Share Valuation Report (PLUTUS CONSULTING) and the Fairness Opinion (PLUTUS CONSULTING) submitted to the Target Company through the Special Committee. In addition, the Target Company gave the utmost respect to the Special Committee’s determinations as set forth in the Advisory Report.

As a result, as described below, the Target Company has also reached the conclusion that the Target Company’s going private through the Transaction, including the Tender Offeror’s Tender Offer, will contribute to the enhancement of the Target Company’s corporate value.

The Target Company Group’s domestic business consists of the financial sector, the corporate sector, and the public social infrastructure sector, all of which the Target Company believes have established a strong competitive advantage based on the Target Company’s strong customer base backed by longstanding relationships of trust and its deep expertise in industry-specific IT services and business transformation. In addition, in October 2022, the Target Company Group’s overseas business was integrated with that of the Tender Offeror Group. Through this integration, the Target Company Group’s portfolio was expanded beyond the traditional IT services by adding the Tech Business, Data Center Business, and NW Business (Note 1), enabling the Target Company to deliver value to customers as a unique service provider providing full-stack technology services on a global level.

(Note 1) This business is engaged in the installation and operation of intercontinental submarine cables and the provision of global IP network services.

In the IT services industry to which the Target Company Group belongs, in addition to the continued strong demand for digital transformation (DX) leveraging digital technology, there has been a rapid increase in demand related to generative AI and agent AI in recent years, and a rapid expansion in demand for data centers as infrastructure to support these technologies. From a longer-term perspective as well, new technologies and businesses, such as quantum computing and optical communication technologies that directly impact the superiority of the future competitiveness are continuously emerging one after another. As the competitive environment intensifies, capital inflows and investment through M&A in growth sectors are expected to accelerate. Under this market environment, the Target Company believes that, in order for the Target Company to continuously maintain its competitive advantage and achieve sustainable enhancements of its corporate value in the future, it requires a clear growth strategy and growth investments necessary to implement such strategy. In particular, in relation to the Target Company’s main investment areas, its North American and data center businesses, investments significantly exceeding its operating cash flow will be required in the short term. Accordingly, it is difficult for the Target Company to maintain financial soundness and achieve growth potential through its agile investments. In addition, since large-scale investments involve uncertainty, it is possible that the Target Company’s performance may temporarily deteriorate in the short term, and it is difficult to promptly execute such potentially risky investments while the Target Company remains listed.

In addition, as the competitive environment is expected to intensify due to accelerating changes in the social environment and the pace of technological innovation, prompt decision-making is essential for the Target Company’s medium- to long-term growth. In particular, in relation to NTT DATA, Inc., the Target Company’s main overseas business entity, the Target Company believes that due to differences in the business environments and strategies of the Target Company and the Tender Offeror, among other factors, the time required to achieve a unified

decision-making process poses a risk of hindering agile decision and timely execution of investments.

In addition, the Tender Offeror has explained that, under the current capital relationship, where the risks and returns associated with various initiatives of the Target Company Group are shared with the Target Company's shareholders other than the Tender Offeror, there are challenges in deploying resources from the Tender Offeror Group other than the Target Company Group to the Target Company, including the difficulty of fulfilling accountability obligations to their shareholders. The Tender Offeror has also explained that, given that both the Target Company and the Tender Offeror are listed, the time required for decision-making in their collaboration poses a structural issue stemming from the need to remain accountable to their respective shareholders.

In light of the business environment surrounding the Target Company Group described above, the Target Company has concluded that, by taking the Target Company private through the Transaction, eliminating the structural conflict of interest between the Tender Offeror and the minority shareholders of the Target Company, and enabling the Tender Offeror to make further investments of management resources into the Target Company Group, it is expected the Target Company Group and the Tender Offeror Group will realize the following synergies and benefits of becoming a wholly owned subsidiary of the Tender Offeror. The Target Company has therefore concluded that the Transaction will contribute to the further enhancement of the corporate value of both the Target Company Group and the Tender Offeror Group.

## **I. Strengthening the Global Solutions Portfolio Through Agile Growth Investments**

The Target Company believes that by leveraging the Tender Offeror Group's fundraising capabilities and financial base, it will be able to strengthen its portfolio of global solutions through agile growth investments.

Since large-scale investments inherently involve uncertainty, such investments may deteriorate the Target Company's performance in the short term, and, as a listed company, the Target Company must pursue the interests of its shareholders, making it difficult to execute such potentially risky investments in a timely manner. In addition, as a listed company, the Target Company has established an interest-bearing debt ceiling corresponding to the EBITDA generating capacity of the Target Company Group in order to ensure its financial soundness, which may serve as a constraint on flexible large-scale investments. The Target Company believes that taking the Target Company private through the Transaction will enable it to pursue large-scale investments that further strengthen the Target Company's competitive advantage by leveraging the Tender Offeror Group's fundraising capacity and financial base, with a view toward enhancing the Target Company's corporate value over the long term.

Specifically, as part of its unique business portfolio, the Target Company intends to establish and expand a business model that provides high value-added services by leveraging not only its globally competitive IT services and engineering capabilities, but also its position as a top-tier global data center operator and its infrastructure-related services. In order to achieve these goals, the Target Company believes that larger investment will be required in growth areas and domains where it should demonstrate its competitive advantage, such as AI-driven services (including generative AI and agent AI), the global data center business, and digital engineering aimed at advancing IT services, and the Transaction will position the Target Company to actively pursue such investments. In addition, the Target Company believes that it is important to further strengthen its global market share and service delivery capabilities, with a particular focus on

the North American market, which serves as the key origin for new technologies and services offers significant market scale. The Target Company believes that the expanded investment capacity through the Transaction will enable the Target Company to pursue growth measures, including M&A, that contribute to enhancing its competitive advantage.

## **II. Enhancement of Collaboration Between the Target Company Group and the Tender Offeror Group in Resources and Capabilities**

As customers and market demands for a data-driven society and energy efficiency continue to grow, the Target Company believes that collaboration with the Tender Offeror Group, which possesses a wide range of diverse research expertise in the fields of networks and advanced technologies, including the innovative, optics-centered IOWN technologies, combined with the Target Company Group, which the Target Company believes to provide world-class IT solutions and operate data centers on a global scale, will enhance its competitive advantage, enable the expansion of global B2B business (Note 2), and contribute to enhancing the corporate value of both the Target Company Group other than the Tender Offeror Group.

Specifically, to respond to the growing global demand for digital infrastructure supporting an AI-driven society, such as all-optical networks (Note 3), open RAN (Note 4), submarine cables, data centers, advanced R&D capabilities and the high-level technological expertise that stems from them are essential. The Target Company believes that by combining the cutting-edge technologies possessed by research and development divisions of the Tender Offeror Group other than Target Company Group with the Target Company Group's own strengths, including its technological expertise developed through providing solutions directly to customers across various industries and its strong relationships with collaborative partners, the Target Company Group will be able to create market-adopted solutions. The Target Company believes that, in order to realize this, it will be effective to develop and execute a comprehensive and long-term strategy in closer integration with the Tender Offeror Group.

(Note 2) An abbreviation for “Business to Business”, referring to a business model in which companies provide products or services to other companies.

(Note 3) Communication via optical signals from the network to the terminal to achieve lower power consumption, higher quality and capacity, and lower latency than conventional systems.

(Note 4) The term “open RAN” refers to a radio access network that enables interoperability with equipment and systems from various vendors by opening or standardizing the specifications of wireless base stations.

In addition, the Target Company believes that the collaboration between the Target Company Group and companies in the Tender Offeror Group other than the Target Company Group will make it possible to strengthen and expand integrated solutions sales for large domestic corporate clients and to enhance its full stack of IT-connectivity services (including data centers, NW, Edge (Note 5)) in the domestic market, thereby strengthening the competitive advantage of its business for large-scale domestic customers and enabling the expansion of its business scale and profitability.

(Note 5) The term “Edge” refers to services that integrate and implement machine learning, device management, and network technologies to enhance collaboration by connecting the “edge,” (i.e., the periphery of the network or the physical location where data is collected and transmitted) to the digital network.

Specifically, the Target Company believes that, by becoming a wholly-owned subsidiary of the Tender Offeror, it will be able to accelerate the development of new services across its business domains by leveraging the R&D capabilities (including IOWN and AI technology) of the Tender Offeror Group other than the Target Company Group. In addition, the Company believes that, by leveraging the domestic scale advantages, extensive distribution channels, and brand strength of the Tender Offeror Group other than the Target Company Group, this integration will enable the Target Company Group to, by further leveraging the Tender Offeror Group's resource, capability and superiority in competitiveness, expand business opportunities, enhance competitiveness, and provide its services to customers of the Tender Offeror Group other than the Target Company Group, with whom the Target Company Group currently has no business relationship, which would otherwise be limited under the current capital relationship that requires consideration of the Target Company's independence as a listed company.

### **III. Accelerated Decision-Making and Improved Cost Competitiveness**

The Target Company believes that by accelerating decision-making through the integration of overlapping functions between the Tender Offeror Group and the Target Company Group it will be able to make agile decisions in areas such as large-scale M&A, land acquisitions and construction approvals for data center developments, thereby avoiding the risk of lost opportunities due to time constraints and expediting the enhancement of corporate value.

Specifically, in relation to NTT DATA, Inc., the Target Company believes that by establishing a decision making framework that enables the Target Company Group to make independent decisions on routine business execution, faster decision-making can be realized.

In addition, while the Target Company and the Tender Offeror currently operate as independent listed companies and each maintain their own business infrastructures, such as back-office functions, the Target Company believes that it will be able to improve cost efficiency and productivity by promoting operational efficiency and the use of technology across the Tender Offeror Group as a whole including the Target Company Group.

The Target Company has considered the potential dis-synergies associated with the Transaction and believes that, while some may arise, they will be limited in scope and can be effectively managed.

In addition, the Target Company has determined, based on the following factors, among others, that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable and that the Tender Offer provides Company shareholders with an opportunity to sell their shares at a price with a reasonable premium and under reasonable terms and conditions.

- (a) As set forth in “(ii) Obtainment by the Target Company of a Share Valuation Report and the Fairness Opinion from an Independent Third-Party Valuation Agent” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below, the results of the share valuation of the Target Company Shares by Daiwa Securities indicate that the valuation exceeds the upper end of the range calculated by the market share price method, falls within the range calculated by the comparable company method and exceeds the median of such range, and falls within the range calculated by the DCF method. In addition, the Target Company has obtained from Daiwa



Securities the Fairness Opinion (Daiwa Securities), which states that the Tender Offer Price of 4,000 yen per share is fair to the minority shareholders of the Target Company from a financial standpoint.

- (b) As set forth in “(vi) Obtaining a Share Valuation Report from a Third-Party Valuation Agent and Obtaining a Fairness Opinion by the Special Committee” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below, the Share Valuation Report (PLUTUS CONSULTING) sets forth that the results of the share valuation of the Target Company Shares by PLUTUS CONSULTING indicate that the valuation exceeds the upper end of the range calculated by the market share price method, falls within the range calculated by the comparable company method, and falls within the range calculated by the DCF method. In addition, the Special Committee has obtained from PLUTUS CONSULTING the Fairness Opinion (PLUTUS CONSULTING), which states that the Tender Offer Price of 4,000 yen per share is fair to the minority shareholders of the Target Company from a financial standpoint.
- (c) The Tender Offer Price reflects (i) a premium of 33.71% on 2,991.5 yen, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on May 7, 2025, the business day immediately preceding the date of announcement of the Tender Offer, and (ii) a premium of 50.21% on 2,663 yen, the simple average of the closing prices (rounded to the nearest whole number; the same applies hereinafter to the calculation of the simple average of the closing prices) for the preceding one month (from April 8, 2025 to May 7, 2025) (rounded to the nearest whole number; the same applies hereafter to the calculation of the simple average closing prices), (iii) a premium of 44.67% on 2,765 yen, the simple average of the closing prices of the Target Company Shares over the preceding three-month period (from February 10, 2025 to May 7, 2025), and (iv) a premium of 39.96% on 2,858 yen, the simple average of the closing prices for the preceding six-month period (from November 8, 2024 to May 7, 2025). While the nature of the Transaction is intended to make the listed subsidiary a wholly-owned subsidiary of its parent company, the premium on the Tender Offer Price is considered to be at a level that is not inferior to those observed in the precedent 78 tender offers for the purpose of delisting listed subsidiaries by their parent companies, which were announced after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry issued the “Fair M&A Guidelines” (the “**M&A Guidelines**”). In these cases, the average premiums over the simple averages of the closing prices over the past one, three, and six months were 40.59%, 40.32%, and 38.72%, respectively.
- (d) The Tender Offer Price exceeds 3,258 yen, the highest trading price of the Target Company Shares during the days in the most recent 25 years (the highest trading price on February 6, 2025) in light of the Target Company’s long-term share price performance.
- (e) The measures to ensure the fairness of the Tender Offer as described in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below have been implemented, and it has been recognized that the interests of general shareholders have been appropriately secured.
- (f) The Tender Offer Price was agreed through good faith negotiations with the Tender Offeror, based on the sufficient implementation of measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, as described in “Measures

to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below, and under the substantial involvement of the Special Committee, which is independent of both the Target Company and the Tender Offeror.

- (g) In the Advisory Report obtained from the independent Special Committee of the Target Company, it is stated that the fairness and appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, has been ensured, as described in “(v) Establishment of an Independent Special Committee in the Targe Company and Obtaining Advisory Report from the Special Committee” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below.

Based on the above, the board of directors of the Target Company resolved at its meeting held on May 8, 2025 to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

Please refer to “(viii) Approval of All Non-Interested Directors of the Target Company (Including Audit and Supervisory Committee Members)” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” below for the manner in which the resolution at the meeting of the board of directors of the Target Company above was made.

### **(iii) Management Policy after Completion of the Tender Offer**

The Tender Offeror intends to enhance its business by fully leveraging the business characteristics and strengths of the Target Company Group. In addition, the Tender Offeror intends to consider unifying and expediting the decision-making process, including reviewing the capital relationship to eliminate the need for shareholder coordination at each stage by making NTT DATA, Inc., which is subject to decision-making processes requiring the consent of both the Target Company and the Tender Offeror, and NTT Global Data Centers Corp., which is a subsidiary of the Tender Offeror, each a wholly owned subsidiary of the Target Company.

As one initiative to create synergies, the Tender Offeror plans to establish a review system involving the Target Company Group and the Tender Offeror Group and implement measures to strengthen collaboration and optimize overlapping operations. Specifically, in the corporate sales field, the Tender Offeror plans to consider collaboration between the Target Company Group and NTT Communications Corporation on the optimization of large-scale corporate sales, NTT TechnoCross Corporation on AI technology, and NTT Marketing Act ProCX Corporation and NTT Nexia CORPORATION on the advancement of IT services and BPO business, and it will also collaborate with the Target Company Group on improving the value added by data centers and accelerating the real-world implementation of AI by leveraging research and development results. Going forward, the Tender Offeror will begin by reviewing the scope of initiatives, the target organizational structure, and the schedule, then compare and evaluate various options, including resource/business transfers and subsidiary formation, and conduct discussions between the Target Company Group and the Tender Offeror Group. (NTT

Communications Corporation, NTT TechnoCross Corporation, NTT Marketing Act ProCX Corporation, and NTT Nexia CORPORATION are all subsidiaries of the Tender Offeror.)

Matters regarding the management system and composition of the board of directors of the Target Company after completion of the Transaction, including whether any officers will be dispatched and other personnel matters, have not been determined at this point in time, and the Tender Offeror plans to consider the establishment of the optimal structure for implementing the various measures stated in “(i) Background Leading to the Decision to Implement the Tender Offer and Purpose and Decision-Making Process of the Tender Offer” above and to further strengthen the management foundation through prospective discussions with the Target Company.

**(3) Matters Concerning Material Agreement Regarding the Tender Offer**

There are no applicable matters.

**(4) Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer**

In light of the fact that the Target Company is a consolidated subsidiary of the Tender Offeror and the fact that the Transaction (including the expression of an opinion regarding the Tender Offer) constitutes a material transaction, etc. with a controlling shareholder and the fact that there are structural conflicts of interest and asymmetry of information problems between the Tender Offeror and the shareholders of the Target Company other than the Tender Offeror, the Tender Offeror and the Target Company have taken the following measures to ensure fairness in the Tender Offer and to avoid conflicts of interest. The following statements on measures that have been taken by the Target Company are based on the Target Company Press Release and explanations received from the Target Company.

Further, the Tender Offeror owns 809,677,800 Target Company Shares (Ownership Ratio: 57.73%) as of the submission date of this Statement as stated in “(1) Overview of the Tender Offer” above, so if the Tender Offeror were to set a minimum number of shares to be purchased in the Tender Offer as the so-called “majority of minority”, it believes that the successful completion of the Tender Offer would become uncertain, which would not contribute to the interests of general shareholders who wish to tender their shares in the Tender Offer. Therefore, the Tender Offeror has not set a minimum number of shares to be purchased as the majority of minority. However, the Tender Offeror believes that because the measures set out in (i) through (x) below have been taken and measures to ensure the fairness in the terms of the Transaction including the Tender Offer Price have been sufficiently taken by the Tender Offeror and the Target Company, the interests of the minority shareholders of the Target Company have been sufficiently considered.

- (i) Obtainment by the Tender Offeror of a Share Valuation Report from an Independent Third-Party Valuation Agent
- (ii) Obtainment by the Target Company of a Share Valuation Report and the Fairness Opinion from an Independent Third-Party Valuation Agent
- (iii) Advice from Independent Law Firms to the Target Company
- (iv) Establishment of an Independent Review System in the Target Company
- (v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee

- (vi) Obtaining a Share Valuation Report from a Third-Party Valuation Agent and Obtaining a Fairness Opinion by the Special Committee
- (vii) Advice from Independent Law Firms to the Special Committee
- (viii) Approval of All Non-Interested Directors of the Target Company (Including Audit and Supervisory Committee Members)
- (ix) Absence of Deal Protection Provision
- (x) Measures to Ensure that the Target Company's Shareholders have the Opportunity to make Appropriate Judgments as to whether or not to Tender in the Tender Offer

For details of the above, see "Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer" in "Background of the Valuation" in "(2) Purchase Price" in "4. Purchase Period, Purchase Price, and Number of Shares to be Purchased" below.

## **(5) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)**

As mentioned in "(1) Overview of the Tender Offer" above, the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, and if the Tender Offeror is not able to acquire all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and the treasury shares owned by the Target Company) through the Tender Offer, the Tender Offeror plans on conducting procedures for the purpose of owning all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and treasury shares owned by the Target Company) by any of the following methods after the successful completion of the Tender Offer.

### **(i) Demand for Share Transfers**

If, as a result of the successful completion of the Tender Offer, the total number of voting rights in the Target Company owned by the Tender Offeror becomes 90% or more of the voting rights of all shareholders of the Target Company, the Tender Offeror intends to, promptly after the completion of the settlement of the Tender Offer, make a demand to all of the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) (the "**Shareholders Subject to Demand**") to sell all of the Target Company Shares they hold (the "**Demand for Share Transfers**") under the provisions of Part II, Chapter II, Section 4-2 of the Companies Act.

Money equal to the amount of the Tender Offer Price is to be delivered to the Shareholders Subject to Demand in the Demand for Share Transfers as consideration for each share of the Target Company Shares. In that case, the Tender Offeror will notify the Target Company to that effect and request approval from the Target Company for the Demand for Share Transfers. If the Target Company approves the Demand for Share Transfers by a resolution of its board of directors, the Tender Offeror will acquire all of the Target Company Shares held by the Shareholders Subject to Demand as of the acquisition date stated in the Demand for Share Transfers without requiring any individual approval of the Shareholders Subject to Demand in accordance with procedures prescribed in relevant laws and regulations. The Tender Offeror is to deliver money equal to the Tender Offer Price for each share of the Target Company Shares to each of the Shareholders Subject to Demand as consideration for the Target Company Shares they held. Further, according to the Target Company Press Release, if the Target Company receives from the Tender Offeror a notice of the Demand for Share Transfers stating matters

prescribed in items of Article 179-2, paragraph (1) of the Companies Act, it will approve the Demand for Share Transfers by the Tender Offeror by the board of directors of the Target Company.

Provisions in the Companies Act for the purpose of protecting the rights of minority shareholders in relation to the abovementioned procedures provide that any Shareholder Subject to Demand may file a petition to the court for a determination of the purchase price of the Target Company Shares the shareholder owns in accordance with Article 179-8 of the Companies Act and the provisions of other relevant laws and regulations. Further, if such a petition is filed, the purchase price will be ultimately decided by the court.

## (ii) Share Consolidation

If the total number of voting rights in the Target Company owned by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Target Company even after the successful completion of the Tender Offer, the Tender Offeror intends to make a demand to the Target Company to convene an extraordinary general shareholders' meeting (the “**Extraordinary General Shareholders' Meeting**”) around August or September 2025 at which the agenda items will include proposals for a consolidation of the Target Company Shares pursuant to Article 180 of the Companies Act (the “**Share Consolidation**”) and a partial amendment to the Target Company's articles of incorporation to abolish the provisions on share units on the condition that the Share Consolidation takes effect. The Tender Offeror intends to vote for such proposals at the Extraordinary General Shareholders' Meeting. The Tender Offeror believes that it is preferable to hold the Extraordinary General Shareholders' Meeting as early as possible in the interest of increasing the corporate value of the Target Company, and plans to request the Target Company to give public notice regarding setting a record date during the Tender Offer Period in order to set a day soon after the commencement date of the settlement of the Tender Offer as the record date for the Extraordinary General Shareholders' Meeting. If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders' Meeting, on the day on which the Share Consolidation takes effect, each shareholder of the Target Company will own the Target Company Shares in a number that corresponds to the ratio of the Share Consolidation approved at the Extraordinary General Shareholders' Meeting.

If a fraction less than one share arises in the number of shares as a result of the Share Consolidation, money obtained from selling to the Target Company or the Tender Offeror the Target Company Shares the number of which is equal to the total number of those fractions (if there is a fraction less than one share in that total number, that fraction is to be rounded down, hereinafter the same) is to be delivered to the shareholders of the Target Company in accordance with the procedures prescribed in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Company Shares the number of which is equal to the total number of those fractions, the Tender Offeror intends to make a demand to the Target Company to file a petition to a court for permission to make a sale by private contract after setting the amount of money to be delivered as a result of that sale to each of the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) that did not tender shares in the Tender Offer being the same as the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by each of those shareholders. Further, although the ratio of the consolidation of the Target Company Shares has not been determined as of the submission date of this Statement, the ratio is to be determined so that the number of Target Company Shares owned by each of the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) that did not tender shares in

the Tender Offer will be a fraction less than one share, so that the Tender Offeror will own all of the Target Company Shares (excluding treasury shares owned by the Target Company).

Provisions in the Companies Act for the purpose of protecting the rights of minority shareholders in relation to the abovementioned procedures provide that if a fraction less than one share arises as a result of the Share Consolidation, any shareholder of the Target Company may, in accordance with Article 182-4 and Article 182-5 of the Companies Act and the provisions of other relevant laws and regulations, if the prescribed conditions are satisfied, make a demand to the Target Company to purchase, at a fair price, all of the Target Company Shares owned by that shareholder that will become a fraction less than one share and file a petition to the court for a determination of the price of the Target Company Shares. As explained above, given that it is expected the number of Target Company Shares owned by each of the shareholders of the Target Company (excluding the Target Company and the Tender Offeror) that did not tender shares in the Tender Offer will become a fraction less than one share in the Share Consolidation, it is expected the shareholders of the Target Company that oppose the Share Consolidation will be able to file the above petition. Further, if such a petition is filed, the purchase price will be ultimately decided by the court.

The procedures in (i) and (ii) above might require time to implement or might change to another method depending on circumstances such as any revision, enforcement, or interpretation by authorities of relevant laws and regulations. However, even in that case, if the Tender Offer is successfully completed, it is expected that the method of ultimately delivering money to each of the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) that have not tendered shares in the Tender Offer will be used, and the amount of money to be delivered to each of those shareholders in that case is to be calculated so that it is equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by each of those shareholders. Matters such as the specific procedures in the above cases and the timing of the implementation of those procedures are to be publicly announced by the Target Company once they have been determined following discussions between the Target Company and the Tender Offeror.

The Tender Offer is not intended to solicit the shareholders of the Target Company to approve the proposals at the Extraordinary General Shareholders' Meeting. Each shareholder of the Target Company should consult with a certified public tax accountant and other experts at its own responsibility on the handling of tax matters in relation to tendering shares in the Tender Offer and the above procedures.

## **(6) Likelihood of Delisting and Reasons for that Delisting**

Although the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange as of the submission date of this Statement, since the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Target Company Shares might be delisted through prescribed procedures in accordance with delisting criteria of the Tokyo Stock Exchange depending on the result of the Tender Offer. Even in the case where the Target Company Shares do not fall under those criteria at the time of the successful completion of the Tender Offer, if the Squeeze-Out Procedures are conducted as explained in “(5) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” above, the Target Company Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. If the Target Company Shares are delisted, the Target Company Shares will not be able to be traded on the Tokyo Stock Exchange.

#### **4. Purchase Period, Purchase Price, and Number of Shares to be Purchased**

##### **(1) Purchase Period**

##### **(i) Initial Tender Offer Period as of the Date of this Statement**

Purchase Period	From May 9, 2025 (Friday) through June 19, 2025 (Thursday) (30 business days)
Date of Public Notice	May 9, 2025 (Friday)
Name of Newspaper for Public Notice	An electronic public notice will be made, and that fact will then be published in the <i>Nihon Keizai Shimbun</i> . Electronic public notice address: ( <a href="https://disclosure2.edinet-fsa.go.jp/">https://disclosure2.edinet-fsa.go.jp/</a> )

##### **(ii) Possibility of Extending the Above Period upon Request of the Target Company**

There are no applicable matters.

##### **(iii) Contact for the Extension of the Tender Offer Period**

There are no applicable matters.

## (2) Purchase Price

Share certificates	4,000 yen per share of common stock
Share options certificates	—
Corporate bond certificates with share options	—
Beneficiary securities of share certificates, etc. in trust ( )	—
Depository receipts for share certificates, etc.	—
Basis of the Valuation	<p>To ensure fairness in the Tender Offer Price, in determining the Tender Offer Price, the Tender Offeror, as a third-party valuation agent independent from the Tender Offeror and the Target Company, requested Nomura Securities, which is the Tender Offeror's financial advisor, to calculate the share value of the Target Company and obtained the share valuation report (the “<b>Share Valuation Report (Nomura Securities)</b>”) as of May 7, 2025. Nomura Securities is not a related party of the Tender Offeror or the Target Company Group and does not have any material interest in the Tender Offer. The Tender Offeror has not obtained from Nomura Securities an opinion letter on the fairness of the Tender Offer Price (a fairness opinion).</p> <p>Nomura Securities examined the financial condition of the Target Company, the market price movements of the Target Company Shares, and other factors, and concluded that it was appropriate to conduct a valuation from multiple perspectives; then, having considered which of the available share valuation methods should be adopted, it conducted the share valuation using (i) average market price analysis, given that a market price exists, (ii) comparable company analysis, given that there are several listed companies comparable to the Target Company and it is possible to determine the value of the Target Company Shares by analogical inference through this approach, and (iii) DCF analysis, in order to reflect the Target Company's future business activities in the price. The Tender Offeror obtained the Share Valuation Report (Nomura Securities) from Nomura Securities as of May 7, 2025.</p>



	<p>The following are the share valuation ranges per Target Company Share calculated by Nomura Securities using the above valuation methods.</p> <p>Average market price analysis: 2,623 yen to 2,964 yen</p> <p>Comparable company analysis: 3,279 yen to 3,792 yen</p> <p>DCF analysis: 2,655 yen to 4,952 yen</p> <p>For the average market price analysis, the record date was set as May 2, 2025, and the value per Target Company Share was calculated based on the closing price of the Target Company Shares on the TSE Prime Market on the record date (2,964 yen) and the simple average closing prices over the five-Business Day (2,870 yen), one-month (2,623 yen), three-month (2,790 yen), and six-month (2,849 yen) periods immediately preceding the record date, which indicated a value per Target Company Share in the range of 2,623 yen to 2,964 yen.</p> <p>For the comparable company analysis, the value of the Target Company Shares was calculated by comparing the market share prices and financial indicators showing the profitability and the like of companies engaged in business similar to that of the Target Company, which indicated a value per Target Company Share in the range of 3,279 yen to 3,792 yen.</p> <p>For the DCF analysis, the corporate value and share value of the Target Company were analyzed and evaluated based on the earnings forecasts of the Target Company after March 2025, taking into account the earnings and investment plans in the business plan provided by the Target Company and confirmed by the Tender Offeror (the business plan received from the Target Company does not include free cash flow), interviews with the Target Company, recent performance, publicly available information, and the like, with the present value derived by applying a certain discount rate to the free cash flow expected to be generated by the Target Company in the future, which indicated a value per Target Company Share in the range of 2,655 yen to 4,952 yen. The business plan of the Target Company Group which was used as the basis for the DCF analysis contains fiscal years in which a significant increase or decrease in earnings is expected. Specifically, for the fiscal year ending March 2026, a significant increase in operating profit and EBITDA is expected in connection with the recording of revenue from the sale of data center equipment. That business plan does not assume that the Transaction will take place, and the effects on profitability of the synergies expected to be realized through the Transaction were not included in the business plan due to the difficulty of specifically estimating their value at this stage (Note 1).</p> <p>By comprehensively considering factors such as the result of the calculation of the share value of the Target Company in the Share Valuation Report (Nomura Securities) obtained from Nomura Securities, the results of due diligence of the Target Company conducted from early February 2025 through mid-March 2025, whether the Tender Offer will be approved by the board of directors of the Target Company, and the prospect of shares to be tendered in the Tender Offer, and, in light of the results of discussions and negotiations with the Target Company, the Tender Offeror ultimately determined on May 8, 2025 that the Tender Offer Price is 4,000 yen.</p> <p>The Tender Offer Price (4,000 yen) represents a premium of 33.71% on the closing price of the Target Company Shares of 2,991.5 yen on the Prime Market of the Tokyo Stock Exchange on May 7, 2025, which is the business day immediately preceding</p>
--	---

	<p>the day on which the implementation of the Tender Offer was publicly announced, a premium of 50.21% on the simple average closing price of 2,663 yen for the one-month period ending on that day, a premium of 44.67% on the simple average closing price of 2,765 yen for the three-month period ending on that day, and a premium of 39.96% on the simple average closing price of 2,858 yen for the six-month period ending on that day. The Tender Offer Price (4,000 yen) also represents a premium of 14.55% on the closing price of the Target Company Shares of 3,492.0 yen on the Prime Market of the Tokyo Stock Exchange on May 8, 2025, which is the business day immediately preceding the submission date of this Statement.</p>
Background of the Valuation	<p><b>(Background Leading to Determination of the Tender Offer Price)</b></p> <p>Please refer to “(i) Background Leading to the Decision to Implement the Tender Offer and Purpose and Decision-Making Process of the Tender Offer” in “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” in “3. Purpose of the Purchase” above.</p> <p><b>(Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer)</b></p> <p>In light of the fact that the Target Company is a consolidated subsidiary of the Tender Offeror, the Transaction (including expression of an opinion regarding the Tender Offer) constitutes a material transaction, etc. with a controlling shareholder, and that there are structural conflicts of interest and asymmetry of information problems between the Tender Offeror and the shareholders of the Target Company other than the Tender Offeror, the Tender Offeror and the Target Company have taken the following measures to ensure fairness in the Tender Offer and to avoid conflicts of interest. The following statements on measures that have been taken by the Target Company are based on the Target Company Press Release and explanations from the Target Company.</p> <p>(i) <b>Procurement by the Tender Offeror of Share Valuation Report from an Independent Third-Party Valuation Agent</b></p> <p>The Tender Offeror obtained from Nomura Securities the Share Valuation Report (Nomura Securities) on May 7, 2025. For details, see “Basis of the Valuation” above.</p> <p>(ii) <b>Obtainment by the Target Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent</b></p> <p>i) <b>Name of the valuation agent and its relationships with the Company and the Tender Offeror</b></p> <p>In expressing its opinion with respect to the Tender Offer, the Company engaged Daiwa Securities, a financial advisor and third-party valuation agent, independent of both the Tender Offeror and the Company Group, to conduct a valuation of the Company Shares and to provide a fairness opinion from a financial standpoint in relation to the fairness of the terms of the Transaction,</p>

including the Tender Offer Price, to the Company's minority shareholders. On May 7, 2025, the Company obtained the Share Valuation Report (Daiwa Securities) and the Fairness Opinion (Daiwa Securities). Daiwa Securities is not a related party of either the Tender Offeror or the Target Company Group, and has no material interest that is required to be disclosed in relation to the Transaction, including the Tender Offer.

Although compensation to Daiwa Securities includes a success fee contingent upon the completion of the Transaction, etc., the Target Company appointed Daiwa Securities as its financial advisor and third-party valuation agent in light of this fee structure and prevailing market practice for similar transactions.

## ii) Summary of the valuation of the Target Company Shares

Daiwa Securities considered and selected appropriate valuation methods from among several calculation methods in order to assess the value of the Target Company Shares. Based on the assumption that the Target Company would continue as a going concern, and that it would be appropriate to evaluate the value of the Target Company Shares from multiple perspectives, it adopted the market share price method, which reflects the trends in the market price of the Target Company Shares, the comparable company method, which was deemed appropriate given the existence of several listed companies comparable to the Target Company, making it possible to estimate the value of the Target Company Shares by analogy, and the DCF method, which incorporates the Target Company's business performance and forecasts into the valuation. Using these methods, Daiwa Securities conducted a per-share analysis of the Target Company Shares and subsequently issued the Share Valuation Report to the Target Company on May 7, 2025.

The range of per-share values of the Target Company Shares calculated under each of the above methods is as follows:

Market share price method: 2,663 yen– 2,991.5 yen

Comparable company method: 3,229 yen – 4,627 yen

DCF method: 2,768 yen – 5,626 yen

Under the market share price method, the per-share value of the Target Company Shares was calculated to fall within a range of 2,663 yen and 2,991.5 yen, with May 7, 2025 as the valuation date. This was based on the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on the valuation date (2,991.5 yen), the simple average of the closing prices of the Target Company Shares over the most recent one-month period (From April 8, 2025 to May 7, 2025) (2,663 yen), the simple average of the closing prices over the most recent three-month period (February 10, 2025 to May 7, 2025) (2,765 yen), and the simple average of the closing prices over the most recent six-month period (November 8, 2024 to May 7, 2025) (2,858 yen).

Under the comparable company method, the Target Company's businesses were classified into (i) the Target Company Group (excluding NTT DATA, Inc. and referred to as the "Domestic Business, etc." and NTT Data, Inc, which was further classified into the Overseas Business, etc. and the Data Center Business. A sum-of-the-parts analysis (the "SoTP Analysis") was then conducted to

	<p>assess the business value. For the Domestic Business, etc., NEC Corporation, Fujitsu Limited, Nomura Research Institute, Ltd., TIS Inc., SCSK Corporation, BIPROGY Inc., DTS CORPORATION, NSD Co., Ltd. and DENTSU SOKEN INC. were selected as listed companies engaged in relatively similar businesses. For the Overseas Business, etc., Computacenter plc, Sopra Steria Group SA, Indra Sistemas, S.A. and Kontron AG were selected. For the Data Center Business, Equinix, Inc. and Digital Realty Trust, Inc. were selected. Using EBITDA multiples applicable to each business segment, the business value of each business segment was calculated and aggregated to determine the total business value of the Target Company. Based on this, the per-share value of the Target Company Shares was calculated to fall between 3,229 yen and 4,627 yen.</p> <p>Under the DCF method, a SoTP Analysis was also conducted and the value of the Target Company's business and its shares was analyzed by discounting the free cash flow expected to be generated by the Target Company from the fiscal year ending March 2026 onward to their present value using a certain discount rate. As result the per-share value of the Target Company Shares was calculated to fall within the range of 2,768 yen and 5,626 yen. The discount rate applied was the weighted average cost of capital, with a range of 5.6% to 6.6% for the Domestic Business, etc., 8.3% to 9.4% for Overseas Business, etc., and 8.2% to 9.1% for the Data Center Business.</p> <p>In order to calculate the continuing value of the Domestic Business, etc., both the exit multiple method based on EV/EBITDA multiples and the perpetual growth method were used. The exit multiples applied were 9.1x to 11.1x for the Domestic Business, etc., 5.6x to 7.6x for the Overseas Business, etc., and 20.7x to 24.7x for the Data Center Business., the perpetual growth rates were set at 1.0% to 2.0% for the Domestic Business, etc., 3.5% to 4.5% for the Overseas Business, etc., and 3.5% to 4.5% for the Data Center Business.</p> <p>In the business plan used by Daiwa Securities for its analysis under the DCF method, there are fiscal years in which significant fluctuations in earnings are projected compared to the preceding fiscal year. Specifically, with respect to the Domestic Business, etc., in the fiscal year ending March 2028, the Target Company anticipates a substantial increase in free cash flow (free cash flow for the fiscal year ending March 2028: +36% compared to the preceding fiscal year), primarily due to an expected increase in revenue and a decrease in changes in working capital.</p> <p>In relation to the Overseas Business, etc., in the fiscal years ending March 2026 and March 2027, the Target Company anticipates a significant increase in operating profit and the EBITDA (operating profit for the fiscal year ending March 2026: +200% compared to the preceding fiscal year; EBITDA for the fiscal year ending March 2026: +53% compared to the preceding fiscal year; operating profit for the fiscal year ending March 2027: +51% compared to the preceding fiscal year; and EBITDA for the fiscal year ending March 2027: +27% compared to the preceding fiscal year. However, for the fiscal year ending March 2027, free cash flow is expected to decline (free cash flow for the fiscal year ending March 2027: -36% compared to the preceding fiscal year), due to an increase in working capital resulting from a rebound in revenue growth) as a result of initiatives to acquire new large-scale customers and the</p>
--	--

	<p>global rollout of high-demand solution services, including generative AI, cloud, and security.</p> <p>In relation to the Data Center Business, the Target Company anticipates a significant increase in operating profit and the EBITDA for the fiscal year ending March 2026 (operating profit for the fiscal year ending March 2026: +215% compared to the preceding fiscal year; and EBITDA for the fiscal year ending March 2026: +122% compared to the preceding fiscal year), due to the recording of gains on the sale of data center facilities. On the other hand, although the Target Company plans to continue growing the business in the fiscal year ending March 2027, it expects a decrease in operating profit, EBITDA, and free cash flow compared to the previous fiscal year, which included a substantial gain on the sale of data center facilities (operating profit for the fiscal year ending March 2027: -46% compared to the preceding fiscal year; EBITDA for the fiscal year ending March 2027: -28% compared to the preceding fiscal year; and free cash flow for the fiscal year ending March 2027: -53% compared to the preceding fiscal year). For the fiscal years ending March 2028 and March 2029, the Target Company expects a significant increase in operating profit due to the completion of new data centers and anticipated improvements in utilization rates (operating profit for the fiscal year ending March 2028: +30% compared to the preceding fiscal year; and operating profit for the fiscal year ending March 2029: +29% compared to the preceding fiscal year). In addition, the Target Company expects a substantial increase in free cash flow as a result of reduced capital expenditures, taking into account the Target Company's financial soundness (free cash flow for the fiscal year ending March 2028: +67% compared to the preceding fiscal year; and free cash flow for the fiscal year ending March 2029: +37% compared to the preceding fiscal year). Although the Target Company expects a significant decrease in free cash flow for the fiscal year ending March 2032 due to an increase in capital expenditures and the assumption that no proceeds from the sale of data center facilities will be recorded (free cash flow for the fiscal year ending March 2032: -87% compared to the preceding fiscal year), the Target Company expects an increase in free cash flow for the following fiscal years: for the fiscal year ending March 2030, due to a decrease in capital expenditures for data center facilities; for the fiscal year ending March 2031, due to increases in revenue, operating profit, and EBITDA, as well as decreases in capital expenditures; and for fiscal years ending March 2033 and March 2034, due increases in revenue, operating profit, and EBITDA (free cash flow for the fiscal year ending March 2030: +98% compared to the preceding fiscal year; free cash flow for the fiscal year ending March 2031: +5,313% compared to the preceding fiscal year; free cash flow for the fiscal year ending March 2032: +199% compared to the preceding fiscal year; and free cash flow for the fiscal year ending March 2033: +55% compared to the preceding fiscal year).</p> <p>In the business plan prepared by the Target Company and used by Daiwa Securities in its analysis under the DCF method, the synergistic effects expected to be realized through the implementation of the Transaction were not taken into account, as it is currently difficult to estimate such effects in a detailed manner.</p> <p>The financial forecast figures prepared by the Target Company and used as assumptions in the DCF method are as follows:</p>
--	--

	(Unit: 1 million yen)																																																											
	<table><tr><td>Domestic Business, etc.</td><td>Fiscal year ending March 2026</td><td>Fiscal year ending March 2027</td><td>Fiscal year ending March 2028</td></tr><tr><td>Revenue</td><td>1,884,000</td><td>2,013,000</td><td>2,160,000</td></tr><tr><td>Operating profit</td><td>215,000</td><td>245,000</td><td>303,000</td></tr><tr><td>EBITDA</td><td>371,000</td><td>401,000</td><td>459,000</td></tr><tr><td>Free cash flow</td><td>132,522</td><td>117,996</td><td>160,390</td></tr></table>				Domestic Business, etc.	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028	Revenue	1,884,000	2,013,000	2,160,000	Operating profit	215,000	245,000	303,000	EBITDA	371,000	401,000	459,000	Free cash flow	132,522	117,996	160,390																																				
	Domestic Business, etc.	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028																																																								
	Revenue	1,884,000	2,013,000	2,160,000																																																								
	Operating profit	215,000	245,000	303,000																																																								
	EBITDA	371,000	401,000	459,000																																																								
	Free cash flow	132,522	117,996	160,390																																																								
	(Unit: 1 million yen)																																																											
	<table><tr><td>Overseas Business, etc.</td><td>Fiscal year ending March 2026</td><td>Fiscal year ending March 2027</td><td>Fiscal year ending March 2028</td></tr><tr><td>Revenue</td><td>2,510,000</td><td>2,665,000</td><td>2,824,000</td></tr><tr><td>Operating profit</td><td>85,000</td><td>128,000</td><td>165,000</td></tr><tr><td>EBITDA</td><td>158,000</td><td>201,000</td><td>238,000</td></tr><tr><td>Free cash flow</td><td>155,133</td><td>99,622</td><td>122,101</td></tr></table>				Overseas Business, etc.	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028	Revenue	2,510,000	2,665,000	2,824,000	Operating profit	85,000	128,000	165,000	EBITDA	158,000	201,000	238,000	Free cash flow	155,133	99,622	122,101																																				
	Overseas Business, etc.	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028																																																								
	Revenue	2,510,000	2,665,000	2,824,000																																																								
	Operating profit	85,000	128,000	165,000																																																								
	EBITDA	158,000	201,000	238,000																																																								
	Free cash flow	155,133	99,622	122,101																																																								
	(Unit: 1 million yen)																																																											
	<table><tr><td>Data Center Business</td><td>Fiscal year ending March 2026</td><td>Fiscal year ending March 2027</td><td>Fiscal year ending March 2028</td><td>Fiscal year ending March 2029</td><td>Fiscal year ending March 2030</td><td>Fiscal year ending March 2031</td><td>Fiscal year ending March 2032</td><td>Fiscal year ending March 2033</td><td>Fiscal year ending March 2034</td></tr><tr><td>Revenue</td><td>542,725</td><td>470,124</td><td>562,091</td><td>625,058</td><td>625,540</td><td>718,157</td><td>740,000</td><td>784,000</td><td>872,000</td></tr><tr><td>Operating profit</td><td>222,037</td><td>119,000</td><td>155,000</td><td>200,000</td><td>174,000</td><td>205,000</td><td>186,000</td><td>197,000</td><td>226,000</td></tr><tr><td>EBITDA</td><td>304,037</td><td>218,000</td><td>274,000</td><td>328,000</td><td>315,000</td><td>367,000</td><td>363,000</td><td>387,000</td><td>428,000</td></tr><tr><td>Free cash flow</td><td>(245,161)</td><td>(375,556)</td><td>(123,603)</td><td>(77,800)</td><td>(1,651)</td><td>86,045</td><td>11,080</td><td>33,156</td><td>51,378</td></tr></table>										Data Center Business	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029	Fiscal year ending March 2030	Fiscal year ending March 2031	Fiscal year ending March 2032	Fiscal year ending March 2033	Fiscal year ending March 2034	Revenue	542,725	470,124	562,091	625,058	625,540	718,157	740,000	784,000	872,000	Operating profit	222,037	119,000	155,000	200,000	174,000	205,000	186,000	197,000	226,000	EBITDA	304,037	218,000	274,000	328,000	315,000	367,000	363,000	387,000	428,000	Free cash flow	(245,161)	(375,556)	(123,603)	(77,800)	(1,651)	86,045	11,080	33,156	51,378
	Data Center Business	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029	Fiscal year ending March 2030	Fiscal year ending March 2031	Fiscal year ending March 2032	Fiscal year ending March 2033	Fiscal year ending March 2034																																																		
	Revenue	542,725	470,124	562,091	625,058	625,540	718,157	740,000	784,000	872,000																																																		
	Operating profit	222,037	119,000	155,000	200,000	174,000	205,000	186,000	197,000	226,000																																																		
EBITDA	304,037	218,000	274,000	328,000	315,000	367,000	363,000	387,000	428,000																																																			
Free cash flow	(245,161)	(375,556)	(123,603)	(77,800)	(1,651)	86,045	11,080	33,156	51,378																																																			
<p><b>iii) Outline of the Fairness Opinion (Daiwa Securities)</b></p> <p>The Target Company obtained the Fairness Opinion (Daiwa Securities) from Daiwa Securities stating that the Tender Offer Price of 4,000 yen per share is fair to the minority shareholders of the Target Company from a financial point of view on May 7, 2025 (Note 2). The Fairness Opinion (Daiwa Securities) is based on an analysis and review of financial information, including business</p>																																																												

	<p>forecasts, and question and answer sessions with the Special Committee, as well as the results of the valuation of the Target Company Shares conducted by Daiwa Securities, and the question and answer sessions with the Target Company and the Special Committee regarding the circumstances and background leading to the decision to support the Tender Offer. The fairness opinion was prepared and submitted by Daiwa Securities after approval of its Fairness Opinion Approval Committee.</p>
	<p><b>(iii) Advice from Independent Law Firms to the Target Company</b></p> <p>As stated in “(ii) Process leading to and Reasons for the Target Company’s Decision to Support the Tender Offer” in “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” in “3. Purpose of the Purchase” above, the Target Company appointed Nakamura, Tsunoda &amp; Matsumoto and Nagashima, Ohno &amp; Tsunematsu as its legal advisors independent from the Tender Offeror and the Target Company Group, and has received legal advice from them regarding the measures to be taken to ensure fairness of the procedures in the Transaction, various procedures of the Transaction, the method and process of the Target Company’s decision-making regarding the Transaction, and other points to be noted in decision making.</p> <p>In addition, as described above in “(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee”, the Special Committee has confirmed that there are no problems with the independence and expertise and track record, etc. of Nakamura, Tsunoda &amp; Matsumoto and Nagashima, Ohno &amp; Tsunematsu, and has approved the appointment of these firms.</p> <p>Nakamura, Tsunoda &amp; Matsumoto and Nagashima Ohno &amp; Tsunematsu are not related parties of the Tender Offeror or Target Company Group, and do not have any material interest in the Transaction including the Tender Offer. The remuneration for Nakamura, Tsunoda &amp; Matsumoto and Nagashima Ohno &amp; Tsunematsu is calculated by multiplying the operating hours by the hourly rate, regardless of whether the Transaction is successful or not, and does not include contingency fees that are contingent upon the consummation of the Transaction.</p> <p><b>(iv) Establishment of an Independent Review System in the Target Company</b></p> <p>As described in “(ii) Process leading to and Reasons for the Target Company’s Decision to Support the Tender Offer” in “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” in “3. Purpose of the Purchase” above, the Target Company has established a system within the Target Company to examine, negotiate, and make decisions regarding the Transaction from an independent standpoint from the Tender Offeror.</p> <p>Specifically, after receiving notice on November 1, 2024, that the Tender Offeror had initiated consideration of implementing the Transaction, the Target Company established a review structure consisting of six officers and employees (one director out of a total of 11 directors, who is not an audit and</p>

supervisory committee member, and five employees) who are recognized as being independent from the Tender Offeror. In the course of negotiations between the Target Company and the Tender Offeror regarding the terms of the Transaction, including the Tender Offer Price, as well as in the process of preparing the business plan that serves as the basis for the valuation of the Target Company Shares, the Target Company has taken steps to eliminate structural conflicts of interest. As such, the Target Company has, in principle, excluded from involvement not only its officers and employees who concurrently serve as officers or employees of other companies in the Tender Offeror Group other than the Target Company Group, but also those who were officers or employees of such companies until recently. This approach has been consistently maintained throughout the process.

As, among the directors of the Target Company, Mr. Kazuhiko Nakayama had served at the Tender Offeror or other companies within the Tender Offeror Group other than the Target Company Group from the time he joined the Tender Offeror in 1989 until June 2023, and has been away from the Tender Offeror Group for less than two years, it is necessary to examine his involvement from the standpoint of independence from the Tender Offeror. However, Mr. Nakayama currently serves as the Target Company's CFO and is in a position to lead the execution and management of the business plan and financial strategy for the fiscal year ending March 2026, and in order to properly execute and manage such execution, it is essential for him to be involved in information gathering, etc. concerning the formulation of the business plan for the fiscal year ending March 2026, and he cannot be replaced; he no longer holds any position within the Tender Offeror Group other than the Target Company Group, he does not owe any fiduciary duties such as a duty of care to any Tender Offeror Group other than the Target Company Group, he does not have any conflicts of interest with the Tender Offeror, and he is not in a position to receive any instructions from the Tender Offeror; and the M&A Guidelines state that it is not necessary to consider that any person who has been an officer or employee of the tender offeror in the past should be excluded from the transaction on the basis of such single incident. Therefore, taking into account that the possibility of a conflict of interest in relation to the Tender Offeror is considered small, although in principle he will not participate in the consideration and negotiation of the Transaction (including deliberations and resolutions on the Transaction at meetings of the board of directors), he will be involved only in the consideration of the business plan for the fiscal year ending March 2026 out of the business plans for the fiscal years from March 2026 to March 2028 (from the fiscal years ending from March 2026 to March 2034 for the Data Center Business) which will be the basis for the valuation of the Target Company Shares (however, such involvement is limited to those for the purpose of collecting information necessary to manage the execution of the business plan). However, in order to ensure the fairness of Mr. Kazuhiko Nakayama's involvement, the Target Company will report to the Special Committee in a timely and appropriate manner on the status of his involvement, and if the Special Committee determines that a problem has arisen or is likely to arise from the standpoint of fairness, etc. due to Mr. Kazuhiko Nakayama's involvement, it will recommend the Target Company to discontinue Mr. Nakayama's involvement or correct the situation, etc. As a result, such reports by the Target Company have been made in a timely and appropriate manner, and the Special Committee has not made



	<p>any recommendation to cease Mr. Kazuhiko Nakayama's involvement or to revise the situation, etc. Mr. Kazuhiko Nakayama was not given the authority to make decisions regarding the formulation of the business plan, and the draft of the business plan that he was involved in formulating was to be confirmed by Mr. Yutaka Sasaki, President and Representative Director of the Target Company, before a final decision was made. As a result, the entire business plan, including the business plan in which Mr. Kazuhiko Nakayama was involved in its formulation, was confirmed by Mr. Yutaka Sasaki and finalized. Furthermore, in the process of preparing such business plan, the contents of the draft business plan under preparation, material assumptions, and the process of preparation, etc. were explained to the Special Committee, and the rationality of the contents of the final business plan, material assumptions, and the process of preparation, etc. were confirmed by the Special Committee and approved by it.</p> <p>In addition, Mr. Eiichi Sakamoto, a member of the Target Company's audit and supervisory committee, had served at the Tender Offeror or other Tender Offeror Group companies other than the Target Company Group from the time he joined the Tender Offeror in 1986 until June 2024, and had served as a director of the Tender Offeror from June 2018 to June 2020. He had also served as Representative Director and Vice President of Nippon Telegraph and Telephone West Corporation, a subsidiary of the Tender Offeror, from October 2020 to March 2024. Since the period after he left the Tender Offeror Group other than Company Group is less than one year, in order to eliminate the problem of structural conflicts of interest as much as possible, he has not been involved in the consideration and negotiation of the Transaction (including deliberations and resolutions on the Transaction at meetings of the board of directors).</p> <p>In addition, although Mr. Patrizio Mapelli, one of the Target Company's directors, had never previously served at the Tender Offeror or any other company within the Tender Offeror Group other than the Target Company Group, the Tender Offeror notified the Target Company on April 18, 2025, of its intention to recommend him as a candidate for director of the Tender Offeror (to be proposed at the Tender Offeror's annual general meeting of shareholders scheduled for June 2025). In light of this notification, and in order to eliminate, to the extent possible, any structural conflicts of interest involving him, the Target Company has not allowed him to participate in any part of the consideration and negotiation of the Transaction (including deliberations and resolutions on the Transaction at meetings of the board of directors) since April 18, 2021.</p> <p>In addition, although one employee of the Target Company who was an employee of the Tender Offeror Group other than the Target Company Group until June 30, 2024 participated in the discussion regarding the formulation of the business plan, such employee is in charge of the formulation of the consolidated financial statements of the Target Company Group and the accounting and taxation systems of the Target Company Group and is familiar with the quantitative aspects of the Target Company's business plan, and is indispensable to the formulation of the Target Company's business plan and cannot be replaced by other officers and employees of the Target Company; he is no more a member of the Tender Offeror Group other than the Target Company Group, he is not in a position to receive any instructions from the</p>
--	---

	<p>Tender Offeror, and he does not have a conflict of interest relationship with the Tender Offeror; and the M&amp;A Guidelines also state that it is not necessary to consider that a person who has been an officer or employee of the tender offeror in the past should be excluded by such single incident. Therefore, considering that the possibility of conflict of interest in relation to the Tender Offeror is considered to be small, the Target Company decided to involve such employee only in the consideration of formulating the business plan. Furthermore, in the process of preparing the business plan, the contents of the draft business plan under preparation, material assumptions, and the process of preparation, etc. were explained to the Special Committee, and the rationality of the contents of the final business plan, material assumptions, and the process of preparation, etc. were confirmed by the Special Committee and approved by it.</p> <p>The system established within the Target Company to examine the Transaction (including the scope of the Target Company's officers and employees involved in the examination, negotiation, and decision-making of the Transaction and their duties), including the handling of the Transaction described above, is based on the advice of Nakamura, Tsunoda &amp; Matsumoto, and has been approved by the Special Committee as having no problems from the standpoint of independence and fairness.</p> <p><b>(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee</b></p> <p><b>i) Background to Establishment</b></p> <p>As described in “(ii) Process leading to and Reasons for the Target Company's Decision to Support the Tender Offer” in “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” in “3. Purpose of the Purchase” above, the Target Company established the Special Committee by a resolution at a meeting of its board of directors held on December 24, 2024. Prior to the establishment of the Special Committee, in order to establish a system for considering, negotiating and making decisions on the Transaction from the perspective of improving the corporate value of the Target Company and securing the interests of the Target Company's general shareholders, while remaining independent from the Tender Offeror, the Target Company, with the advice from Nakamura, Tsunoda &amp; Matsumoto, has explained, since late November 2024, individually to the outside directors of the Target Company who do not have any material interest in the Tender Offeror that the Target Company had received a notice from the Tender Offeror to the effect that it had commenced consideration of the implementation of the Transaction and that, since the Transaction is a transaction in which structural conflicts of interest and information asymmetry issues exist in a typical manner, it was necessary to take sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including the establishment of the Special Committee, when considering and negotiating the Transaction. In parallel, while obtaining advice from Nakamura, Tsunoda &amp; Matsumoto, the Target Company confirmed the independence and eligibility, etc. of the Target Company's outside directors who are candidates for members of the Special Committee, and also confirmed that they do not have a material interest in the</p>
--	---

	<p>Tender Offeror and that they do not have a material interest in the success or failure of the Transaction, which is different from that of the general shareholders. Based on the above, the Target Company's outside directors discussed the matter while obtaining advice from Nakamura, Tsunoda &amp; Matsumoto, and confirmed that they had no objection to the appointments being made. The Target Company therefore appointed Mr. Fumihiko Ike (outside director of the Target Company, outside director of Resona Holdings, Inc., and outside director of Eisai Co., Ltd.), who has extensive management experience in global business and a high level of insight on IT, Ms. Mariko Fujii (outside director of the Target Company, emeritus professor of the University of Tokyo and outside director of Mitsubishi UFJ Financial Group, Inc.), who has a high level of insight and a wealth of experience gained through research into administrative practice and economics, as well as through diplomacy, and Mr. Shigenao Ishiguro (outside director of the Target Company, and outside director of Ricoh Company, Ltd.), who has extensive management experience in global business and a wealth of insight into maximizing human resources and organizational capabilities, as candidates of the members of the Special Committee. (The Chairman of the Special Committee is Mr. Fumihiko Ike, an outside director of the Target Company, and the members of the Special Committee have not changed since its establishment.)</p> <p>Based on the above, as described in “(ii) Process leading to and Reasons for the Target Company’s Decision to Support the Tender Offer” in “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” in “3. Purpose of the Purchase” above, the Target Company established the Special Committee by resolution at the board of directors meeting on December 24, 2024, and consulted the Special Committee on the Consultation Matters. In establishing the Special Committee, the board of directors of the Target Company resolved that it shall make decisions regarding the Transaction with the utmost respect for the decisions made by the Special Committee, and if the Special Committee determines that the terms of the Transaction are not appropriate, the board of directors shall decide not to approve the Transaction (including not to express its opinion in favor of the Tender Offer). In addition, the Target Company’s board of directors resolved to grant authority to the Special Committee in relation to (i) ensuring a situation that substantially affects the negotiation process between the Target Company and the Tender Offeror regarding the terms of the Transaction (for this purpose, the directors who negotiate with the Tender Offeror based on the intention of the board of directors of the Target Company are to confirm the negotiation strategy with the Special Committee in advance, report the status of the negotiation to the Special Committee in a timely manner, and obtain the opinion of the Special Committee at critical phases of negotiations and negotiate considering the instructions or requests from the Special Committee, and the Special Committee may, if necessary, negotiate with the Tender Offeror by itself); (ii) appointing its own advisors when considering and making decisions on the Consultation Matters (in such cases, the reasonable costs are to be borne by the Target Company), appointing and approving (including ex-post approval) the Target Company’s advisors and, when the independency and expertise of the Target Company’s advisors are cleared, requesting professional advice from the Target Company’s advisors; and (iii) in order to ensure appropriate judgment, requesting the</p>
--	---

	<p>attendance at the Special Committee of the Target Company's directors, employees, and other persons deemed necessary by the Special Committee and requesting explanations of necessary information from them.</p> <p>At the aforementioned meeting of the board of directors of the Target Company, taking into consideration the fact, etc. that, among the 11 directors of the Target Company, Mr. Kazuhiko Nakayama has served as an executive officer of the Tender Offeror in the past and Mr. Eiichi Sakamoto has served as a director of the Tender Offeror in the past, from the viewpoint of eliminating as much as possible the risk of the discussions and resolutions of the board of directors of the Target Company being affected by structural conflict of interest issues and asymmetric information issues in the Transaction, the above resolution was unanimously adopted after discussion by all 9 directors (including those who are audit and supervisory committee members) except Mr. Kazuhiko Nakayama and Mr. Eiichi Sakamoto.</p> <p>Each member of the Special Committee shall be paid a fixed remuneration for his/her duties, regardless of the content of his/her determinations.</p> <p><b>ii) Background of the Consideration</b></p> <p>The Special Committee held a total of 27 meetings from December 24, 2024 to May 7, 2025, and also performed its duties in relation to the Consultation Matters by reporting, sharing information, discussing, and making decisions, etc. via e-mail on a case-by-case basis as necessary during the day of each meeting. Specifically, the Special Committee, first of all, after considering the independence, expertise and track record, etc., of Nishimura &amp; Asahi appointed Nishimura &amp; Asahi as its own legal advisor independent from the Tender Offeror and the Target Company Group, and appointed PLUTUS CONSULTING as its financial advisor and third-party valuation agent independent from the Tender Offeror and the Target Company Group. The Special Committee has confirmed that Nishimura &amp; Asahi and PLUTUS CONSULTING are not related parties of the Tender Offeror or the Target Company Group, and that they do not have any material interest in the Transaction including the Tender Offer, and that there are no other independence issues in regards to the Transaction.</p> <p>The Special Committee also approved the appointment of Daiwa Securities, who is the Target Company's financial advisor and third-party valuation agent, and Nakamura, Tsunoda &amp; Matsumoto and Nagashima, Ohno &amp; Tsunematsu, who are the Target Company's legal advisors, after confirming that there were no problems with their independence, expertise and track record, etc.</p> <p>Furthermore, the Special Committee has confirmed that there are no problems from the viewpoint of independence and fairness in the Transaction's review system (including the scope of the Target Company's officers and employees involved in the review, negotiation and decision-making regarding the Transaction and their duties) established within the Target Company and approved such system as described in "(iv) Establishment of an Independent Review System in the Target Company" above.</p>
--	--

	<p>Based on the legal advice received from Nishimura &amp; Asahi and the opinions of Nakamura, Tsunoda &amp; Matsumoto, the Special Committee has examined the measures to be taken to ensure the fairness of the procedures in the Transaction.</p> <p>The Special Committee sent multiple questionnaires to the Tender Offeror regarding matters such as the background and purpose of implementing the Transaction, the significance of the Transaction and the growth strategy after the implementation of the Transaction, possible disadvantages of the Transaction, the circumstance, background and reasons, etc. leading the Tender Offeror to propose the Transaction, management policy after the Transaction, treatment of employees, the price of the Transaction and other conditions, and the structure, procedures and conditions of the Transaction. The Special Committee received written responses from the Tender Offeror, conducted interviews, obtained explanations, and held question-and-answer sessions with the Tender Offeror concerning these matters.</p> <p>In addition, the Special Committee also sent multiple questionnaires to the Target Company regarding matters such as the Target Company Group's management environment, management issues, etc., the significance of the Transaction and the growth strategy after the implementation of the Transaction, possible disadvantages of the Transaction including the delisting of the Target Company Shares, timing of the Transaction, etc., management policy after the implementation of the Transaction, treatment of employees, and other related matters. The Special Committee received written responses from the Target Company, conducted interviews, obtained explanations, and held question-and-answer sessions with the Target Company concerning these matters.</p> <p>In addition, the Special Committee, while taking into consideration the advice from a financial standpoint received from PLUTUS CONSULTING, received an explanation from the Target Company regarding the contents of the business plan prepared by the Target Company, material assumptions, and the process of preparation, etc. and after question-and-answer sessions, confirmed the reasonableness of these matters and gave its approval. Then, as described in “(ii) Obtainment by the Target Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent” above and “(vi) Obtaining a Share Valuation Report from a Third-Party Valuation Agent and Obtaining a Fairness Opinion by the Special Committee” below, PLUTUS CONSULTING and Daiwa Securities conducted their share valuation analyses based on the content of the Target Company Group's business plan, and the Special Committee has obtained explanations from PLUTUS CONSULTING and Daiwa Securities regarding the valuation methods used in their respective share valuation analyses of the Target Company Shares, the reasons for adopting such valuation methods, and the details of the calculations based on each calculation method and important assumptions, and then confirmed the reasonableness of these matters through questions-and-answer sessions, discussions and examinations. In addition, as described in “(ii) Obtainment by the Target Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent” above and “(vi) Obtaining a Share Valuation Report from a Third-Party Valuation Agent and Obtaining a Fairness Opinion by the Special Committee” below, the Special Committee has received the Fairness Opinion (PLUTUS CONSULTING) from PLUTUS CONSULTING on May 7, 2025, and also received the Fairness Opinion (Daiwa</p>
--	---

	<p>Securities) from Daiwa Securities on the same date. The Special Committee received explanations from PLUTUS CONSULTING and Daiwa Securities on the contents of the Fairness Opinion (PLUTUS CONSULTING) and the Fairness Opinion (Daiwa Securities) and their material assumptions, respectively, and confirmed such explanations.</p> <p>The Special Committee also received reports from the Target Company and Daiwa Securities on each occasion when the Target Company received proposals from the Tender Offeror: on April 8, 2025, with a Tender Offer Price of 3,200 yen per share; on April 15, with a Tender Offer Price of 3,400 yen per share; on April 22 with a Tender Offer Price of 3,700 yen per share; on April 28, with a Tender Offer Price of 3,800 yen per share. The Special Committee reviewed the content and negotiation history of each proposal, obtained advice on negotiation strategies from Daiwa Securities and PLUTUS CONSULTING, examined the Target Company's proposed responses to the Tender Offeror, provided its views, and approved those responses. The Special Committee also instructed and requested that the Target Company demand an increase in the Tender Offer Price to the Tender Offeror.</p> <p>As a result, on May 1, 2025, the Target Company received a proposal from the Tender Offeror that included a Tender Offer Price of 4,000 yen per share, and as a result, the Tender Offer Price was increased to 4,000 yen from the Tender Offeror's initial offer of 3,200 yen.</p> <p>Furthermore, the Special Committee has been briefed multiple times by Nakamura, Tsunoda &amp; Matsumoto on the contents of the draft press release(s) regarding the Tender Offer to be released by the Target Company, and with advice from Nishimura &amp; Asahi, the Special Committee requested that the Target Company enhance the draft to ensure more robust disclosure. As a result, the Special Committee has confirmed that substantial disclosure of information is expected to be made.</p> <p><b>iii) Contents of Decision</b></p> <p>Based on the above, and taking into consideration the advice from a legal standpoint received from Nishimura &amp; Asahi, the advice from a financial standpoint received from PLUTUS CONSULTING, and the Share Valuation Report (PLUTUS CONSULTING) and the Fairness Opinion (PLUTUS CONSULTING) submitted to the Target Company on May 7, 2025, the Special Committee carefully discussed and deliberated on the Consultation Matters and, as a result, unanimously resolved to submit to the Target Company's board of directors the Advisory Report on the same date, which is summarized as follows.</p> <p>(a) Content of the Advisory Report</p> <ol style="list-style-type: none"> <li>i. The Transaction will contribute to the enhancement of the Target Company's corporate value and the purpose of the Transaction is justifiable and reasonable.</li> <li>ii. The terms and conditions of the Transaction (including the Tender Offer Price) are fair and reasonable.</li> <li>iii. Sufficient consideration has been given to the interests of the Target Company's shareholders through fair procedures in the Transaction.</li> </ol>
--	---

	<p>iv. The decision regarding the Transaction would not be disadvantageous to the Target Company's minority shareholders.</p> <p>v. It is appropriate for the Target Company's board of directors to express its opinion in favor of the Tender Offer and to recommend the Target Company's shareholders to tender their shares in the Tender Offer.</p> <p>(b) Reasons for the Advisory Report</p> <p>i. Due to the following points, the Transaction will contribute to the enhancement of the Target Company's corporate value and the purpose of the Transaction is justifiable and reasonable.</p> <ul style="list-style-type: none"> <li>• As for the market environment surrounding the Target Company Group and the recognition of the growth strategy and issues thereof under such market environment as described in "iii) Contents of the Determination" in "(ii) Process leading to and Reasons for the Target Company's Decision to Support the Tender Offer" in "(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer" in "3. Purpose of the Purchase" above, the Special Committee does not see any unreasonable points to be raised.</li> <li>• Based on the above recognition, the Target Company believes that, by resolving the structural conflicts of interest between the Tender Offeror and the Target Company's minority shareholders, the Tender Offeror will be able to invest more of its business resources in the Target Company Group. The Target Company also believes that the Transaction will enable the Target Company to make flexible investments. The Special Committee considers such view to be feasible and does not see any unreasonable points to be raised.</li> <li>• As described "iii) Contents of the Determination" in "(ii) Process leading to and Reasons for the Target Company's Decision to Support the Tender Offer" in "(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer" in "3. Purpose of the Purchase" above, while there is a risk that flexible decision making and implementation of investments may become difficult in relation to NTT DATA, Inc., the Target Company believes that, through the implementation of the Transaction, the decision-making process of NTT DATA, Inc. may be accelerated by enhancing the decision-making structure in NTT DATA, Inc. and enabling the Target Company Group to decide the execution of the day-to-day business by itself. The Special Committee considers such opinions to be feasible and does not see any unreasonable points to be raised.</li> <li>• The potential disadvantage of the Transaction is limited.</li> </ul>
--	--

	<p>ii. Due to the following points, the terms and conditions of the Transaction (including the Tender Offer Price) are fair and reasonable.</p> <ul style="list-style-type: none"> <li>• The procedures of the Demand for Share Transfers and Share Consolidation, which are scheduled in case the Tender Offeror cannot acquire all of the Target Company Shares through the Tender Offer, are methods that are generally taken under a delisting transaction similar to the Transaction. While, the type of consideration for the Transaction is paid in cash, since the Tender Offeror Group and the Target Company Group have different business activities, etc. and certain shareholders of the Target Company may not wish to acquire shares in the Tender Offeror. Based on the foregoing, the method and type of consideration for the Transaction are considered to be reasonable.</li> <li>• (i) The Tender Offer Price at 4,000 yen exceeds the upper end of the range of the price per share of the Target Company Share calculated by the market share price method and the comparable company method, and falls within the range calculated by the DCF method and exceeds the median of such range in the Share Valuation Report (PLUTUS CONSULTING); (ii) the Tender Offer Price at 4,000 yen exceeds the upper end of the range of the price per share of the Target Company Share calculated by the market share price method, and falls within the range calculated by the comparable company method and exceeds the median of such range, and also falls within the range calculated by the DCF method in the Share Valuation Report (Daiwa Securities); (iii) the Tender Offer Price at 4,000 yen reflects (a) a premium of 50.21% on the simple average of the closing prices for the preceding one (1) month, (b) a premium of 44.67% on the simple average of the closing prices of the Target Company Shares over the preceding three-month period, (c) a premium of 39.96% on the simple average of the closing prices for the preceding six-month period, and the premium of the Tender Offer Price is at a level that is not inferior comparing to the premiums under other tender offer cases conducted by a parent company for the purpose of delisting a listed subsidiary; (iv) the Tender Offer Price at 4,000 yen exceeds 3,258 yen, the highest trading price of the Target Company Shares during the day in the most recent 25 years (the highest trading price on February 6, 2025); (v) the Target Company has agreed the Tender Offer Price at 4,000 yen which had been increased for approximately 25% from the Tender Offeror's initial proposed price, by negotiating the Tender Offer Price with the Tender Offeror through a fair process where Tender Offer's influence had been excluded, taking into account of the interim report by Daiwa Securities and PLUTUS CONSULTING regarding the valuation of the Target Company Shares and the opinion of the Special Committee provided time to time after receiving advices from PLUTUS CONSULTING and Nishimura &amp; Asahi; and (vi) the Special Committee received the Fairness Opinion (PLUTUS</li> </ul>
--	---



	<p>CONSULTING) from PLUTUS CONSULTING and the Target Company received the Fairness Opinion (Daiwa Securities) from Daiwa Securities, as well as, as described in iii. below, fair procedures necessary to ensure the general shareholders for justifiable interests has been implemented through the Transaction. Taking into these points, the Special Committee sees that, when considered comprehensively, the Tender Offer Price is fair and reasonable.</p> <p>iii. Due to the following points, sufficient consideration has been given to the interests of the Target Company's shareholders through fair procedures in the Transaction.</p> <ul style="list-style-type: none"> <li>• As described below, for the consideration of the Transaction, an independent special committee has been established by taking into account of the methods pointed out in the M&amp;A Guidelines which increases the effectiveness of a special committee, and the Special Committee is effectively functioning.</li> <li>(i) In relation to the Transaction, after receiving a proposal from the Tender Offeror regarding the Tender Offer, the Special Committee has started its involvement in the Transaction from an early stage, and thereby, a situation has been secured where the Special Committee can participate in the Transaction from an early stage of the process of formulating the conditions regarding the Transaction.</li> <li>(ii) It is confirmed that the members of the Special Committee are independent from the Tender Offeror and the Target Company, respectively, and do not have material interests different from the Target Company's general shareholders, thereby, the members are selected by giving sufficient consideration to their character.</li> <li>(iii) Regarding the Special Committee, the Target Company's independent outside directors have substantially participated in the process of deciding matters such as the decision of establishing the Special Committee, scope of authority and responsibilities thereof, and the selection and remuneration of its members, from the perspective of eliminating as much as possible the risk of influence due to structural conflicts of interest.</li> <li>(iv) The Special Committee received interim reports on the valuation of the Target Company Shares by Daiwa Securities and PLUTUS CONSULTING, and after the Target Company received the initial tender offer price proposal from the Tender Offeror on April 8, 2025, the Special Committee received reports from the Target Company and Daiwa Securities on the content and negotiation history, etc. each time the Target Company received a tender offer price proposal from the Tender Offeror, obtained advice from Daiwa Securities and PLUTUS CONSULTING on negotiation strategies, considered the contents of the draft responses to the</li> </ul>
--	--

	<p>Tender Offeror, expressed its opinions, approved the draft responses, and provided instructions and requests to the Target Company and Daiwa Securities regarding the negotiation policy. Therefore, the Special Committee shall be deemed to have been substantially involved in the negotiation process between the Target Company and the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price.</p> <p>(v) The Special Committee, while obtaining professional advice and opinions from the above external advisors, etc. in a timely manner during the process of considering the Transaction, carefully examined and discussed the reasonableness of the purpose of the Transaction and the fairness of the terms and conditions of the Transaction from the perspective of enhancing the corporate value of the Target Company and the interests of the general shareholders.</p> <p>(vi) The Special Committee obtained important information, including non-public information, and based on this information, a situation was ensured in which the pros and cons of the Transaction and the appropriateness of the terms and conditions of the Transaction were examined and determined.</p> <p>(vii) Considering that remuneration for appropriately fulfilling the role required of the Special Committee in reviewing the Transaction will be paid separately from remuneration as an independent outside director, regardless of the outcome of the Transaction, it can be said that an environment has been established in which each member of the Special Committee can easily commit time and effort and make decisions independently of the outcome of the Transaction.</p> <p>(viii) The Target Company's board of directors plans to make decisions regarding the Transaction with the utmost respect for the judgment of the Special Committee, and it is recognized that the Special Committee has been granted authority to oppose the Transaction in all but name.</p> <p>(ix) In the Transaction, an independent Special Committee was established and is considered to have functioned effectively. Therefore, with regard to the scope of directors, etc. to be excluded from the deliberation and negotiation process, it is not necessary to exclude all persons who were formerly officers or employees of the Tender Offeror Group solely on that basis. In addition, as described in "(iv) Establishment of an Independent Review System in the Target Company" above, the Target Company established an internal system that enabled it to conduct deliberations and negotiations for the Transaction from a position that was as independent as possible from the Tender Offeror.</p>
--	--

	<ul style="list-style-type: none"> <li>• In late November 2024, prior to December 18, 2024, the date on which the Target Company formally received the initial letter of intent regarding the Transaction, the Target Company appointed Nakamura, Tsunoda &amp; Matsumoto, a law firm independent of the Tender Offeror and the Target Company Group, as its legal advisor for the Transaction. The Target Company obtained independent professional advice from Nakamura, Tsunoda &amp; Matsumoto on the method and process of decision-making by the board of directors of the Target Company and other points to note, including various procedures related to the Transaction, such as measures to ensure fairness to be taken by the Target Company and the Target Company's views on directors and other persons who have or may have a special interest in the Transaction. In addition, in late November 2024, the Target Company selected Daiwa Securities, which is independent from the Tender Offeror and the Target Company Group and has extensive experience and expertise in services related to price negotiations with tender offerors, as its financial advisor for the Transaction. The Target Company obtained advice from Daiwa Securities on the structure of the Transaction, alternative measures, consideration of alternative transactions, price negotiations, etc., and requested Daiwa Securities to calculate the share value of the Target Company Shares. On May 7, 2025, the Target Company obtained the Share Valuation Report (Daiwa Securities), and used it as the basis for its decision regarding the Transaction.</li> <li>• In the Transaction, the Tender Offeror's Ownership Ratio of the Target Company Shares is already 57.73%, and in light of such Ownership Ratio, it is considered unlikely that a sincere counterproposal will be made in the Transaction. Therefore, it is considered that the Transaction falls under the category of cases where there is little significance in conducting a market check. In addition, the Target Company has not entered into any agreement with the Tender Offeror that would restrict a competing acquirer from contacting the Target Company, including an agreement containing transaction protection provisions that would prohibit the Target Company from contacting a competing acquirer. Furthermore, the Tender Offer Period for the Transaction has been set at 30 business days, which exceeds the minimum period of 20 business days stipulated by laws and regulations. In this way, by setting a relatively long Tender Offer Period, it can be evaluated that a period has been secured for general shareholders to carefully consider the merits of the Transaction and the appropriateness of the terms and conditions of the Transaction and make an appropriate decision.</li> <li>• In the Transaction, there are no plans to set a majority of minority condition. However, given that the Tender Offeror owns 57.73% of the Target Company Shares, setting a majority of minority condition under such circumstances would significantly increase the possibility that the Tender Offer would not be completed, which would destabilize the</li> </ul>
--	---

	<p>transaction and may not be in the interests of the general shareholders who tender their shares. Given that various measures to ensure fairness have been taken, the fact that no majority of minority condition has been set for the Tender Offer is not considered to impair the fairness of the procedures for the Tender Offer.</p> <ul style="list-style-type: none"> <li>• The Special Committee reviewed the draft press release concerning the supporting opinion and tender recommendation opinion for the Tender Offer at several meetings of the Special Committee, with advice from Nishimura &amp; Asahi, PLUTUS CONSULTING, Nakamura, Tsunoda &amp; Matsumoto, and Daiwa Securities, and requested the Target Company to disclose more detailed information.</li> <li>• In the Transaction, consideration has been given to avoid imposing undue pressure on general shareholders, and it is recognized that measures have been taken to ensure the fairness of the procedures.</li> </ul> <p>iv. As described in i. to iii. above, sufficient consideration has been given to the interests of the Target Company's minority shareholders through fair procedures in the Transaction and thereby, the decision regarding the Transaction would not be disadvantageous to the Target Company's minority shareholders.</p> <p>v. As described in i. to iii. above, the purpose of the Transaction is justifiable and reasonable as well as the terms and conditions of the Transaction are fair and reasonable, and thereby, it is appropriate for the Target Company's board of directors to express its opinion in favor of the Tender Offer and to recommend the Target Company's shareholders to tender their shares in the Tender Offer.</p> <p><b>(vi) Obtaining a Share Valuation Report from a Third-Party Valuation Agent and Obtaining a Fairness Opinion by the Special Committee.</b></p> <p><b>i) Name of the valuation agent and its relationships with the Target Company and the Tender Offeror</b></p> <p>In forming its opinion with respect to the Tender Offer, in order to ensure the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, the Special Committee requested PLUTUS CONSULTING, a financial advisor and third-party valuation agent independent of the Tender Offeror and the Target Company Group, to calculate the value of the Target Company Shares and to express an opinion on the fairness, from the financial standpoint for the minority shareholders of the Company, of the terms of the Transaction, including the Tender Offer Price. On May 7, 2025, the Target Company received the Share Valuation Report (PLUTUS CONSULTING) and the Fairness Opinion (PLUTUS CONSULTING).</p> <p>PLUTUS CONSULTING is not a related party of the Tender Offeror Group or the Target Company Group, and does not have any material interests in relation to the Transaction, including the Tender Offer. In addition, PLUTUS CONSULTING's compensation for the Transaction shall be a fixed fee payable regardless of the success or failure of the Transaction, and shall not include any</p>
--	--

success fee payable upon the completion of the Transaction, including the Tender Offer.

**ii) Outline of the calculation for the Target Company Shares**

PLUTUS CONSULTING considered which calculation method should be used to calculate the value of the Target Company Shares from among several calculation methods, and based on the assumption that the Target Company is a going concern, it determined that it would be appropriate to evaluate the value of the Target Company Shares from various perspectives. Therefore, it used the market share price method as the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and have a market price, the comparable company method as it is possible to make an analogy of the value of the Target Company Shares based on the market share prices of several listed companies comparable to the Target Company, and the DCF method, which reflects the Target Company's business performance and forecasts in the valuation, to calculate the value of the Target Company Shares. Subsequently, the Special Committee obtained the Share Valuation Report (PLUTUS CONSULTING) from PLUTUS CONSULTING on May 7, 2025.

The range of share values per share of the Target Company Shares calculated based on each of the above methods is as follows.

Market share price method:	2,663 yen – 2,991.5 yen
Comparable company method:	2,648 yen – 3,611 yen
DCF method:	2,609 yen – 4,476 yen

Under the market share price method, the range of the value per share of the Target Company Shares has been calculated to be between 2,663 yen and 2,991.5 yen with May 7, 2025 as the calculation base date, based on: the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on the calculation base date (2,991.5 yen); the simple average of the closing price of the Target Company Shares for the most recent one month (from April 8, 2025 to May 7, 2025) (2,663 yen); the simple average of the closing price for the most recent three months (February 10, 2025 to May 7, 2025) (2,765 yen); and the simple average of the closing price for the most recent six months (November 8, 2024 to May 7, 2025) (2,858 yen).

Under the comparable company method, SoTP Analysis was conducted. For Domestic Business, etc., Daiwa Securities selected Fujitsu Limited, NEC Corporation, Nomura Research Institute, Ltd., SCSK Corporation, TIS Inc., BIPROGY Inc. and NS Solutions Corporation as listed companies engaged in relatively similar businesses. For Overseas Business, etc., Daiwa Securities selected Capgemini SE, Cognizant Technology Solutions Corp, HCL Technologies Ltd, Wipro Ltd, Computacenter PLC, CACI International Inc, Atea ASA and SoftwareOne Holding AG as listed companies engaged in relatively similar businesses. For the Data Center Business, Daiwa Securities selected Equinix Inc, Digital Realty Trust Inc and DigitalBridge Group Inc as listed companies engaged in relatively similar businesses. Based on the above, the business value of each business segment, including Domestic Business, etc., Overseas Business, etc., and Data Center Business, was calculated using the EV/EBIT and EV/EBITDA multiples (for the Data Center Business, only the

	<p>EV/EBITDA multiple is used) for business value, and the business value of the Company was calculated by aggregating the business values of each business segment. As a result, the range of the value per share of the Target Company Shares has been calculated to be between 2,648 yen and 3,611 yen.</p> <p>Under the DCF method, SoTP Analysis was also performed to evaluate the value of each financial forecast for Domestic Business, etc., Overseas Business, etc., and Data Center Business. Based on the business plan prepared by the Company, premised on the revenue and investment plans for the three fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2028, various factors such as publicly available information on the Domestic Business, etc. and Overseas Business, etc., the revenue and investment plans for the nine fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2034 and various factors such as publicly available information on the Data Center Business, Daiwa Securities calculated the value of each business by discounting the free cash flow expected to be generated by the Target Company from the fiscal year ending March 2026 at a certain discount rate for each business to its present value, and then calculated the value of the Company by adding the values of each business. Based on this calculation, Daiwa Securities estimated the value per share of the Target Company Shares to be between 2,609 yen and 4,476 yen. The discount rates used are 7.5% to 8.1% for Domestic Business, etc., 7.3% to 8.0% for Overseas Business, etc., and 7.4% to 10.0% for the Data Center Business. The multiples valuation method was used to calculate the continuing value of Domestic Business, etc., Overseas Business, etc., and Data Center Business, with the multiple set at 12.2x to 14.7x and 9.5x to 10.9x for Domestic Business, etc., 9.8x to 11.5x and 7.9x to 9.0x for Overseas Business, etc., and 15.6x to 19.7x for Data Center Business.</p> <p>The consolidated financial forecasts based on the business plan prepared by the Target Company, which PLUTUS CONSULTING used as the basis for its DCF method calculations, are as follows. The business plan prepared by the Target Company includes fiscal years in which significant increases or decreases in income are expected.</p> <p>Specifically, for Domestic Business, etc. a significant increase in free cash flow is expected for the fiscal year ending March 2028 (free cash flow for the fiscal year ending March 2028: +32% compared to the preceding fiscal year), in line with anticipated growth in revenue.</p> <p>For Overseas Business, etc. a significant increase in operating profit is expected in the fiscal year ending March 2027 (operating profit for the fiscal year ending March 2028: +51% compared to the preceding fiscal year) through initiatives such as acquiring new large-scale customers and expanding solutions and services around the world in areas with high global demand, such as generative AI, cloud computing, and security. However, a decrease in free cash flow is expected in the fiscal year ending March 2027 (free cash flow for the fiscal year ending March 2027: -41% compared to the preceding fiscal year) due to an increase in working capital resulting from a rebound in revenue growth. An increase in free cash flow is expected in the fiscal year ending March 2028 (free cash flow for the fiscal year ending March 2028: +49% compared to the preceding fiscal year), reflecting the continued impact of these initiatives.</p>
--	---

In the Data Center Business, for the fiscal year ending March 2027, while continued growth of the business is planned, a decrease in operating profit and free cash flow is expected compared to the previous fiscal year (operating profit for the fiscal year ending March 2027: -46% compared to the preceding fiscal year; and free cash flow for the fiscal year ending March 2027: -30% compared to the preceding fiscal year) due to the significant amount of the sale of data center facilities. For the fiscal years ending March 2028 and March 2029, a significant increase in operating profit (operating profit for the fiscal year ending March 2028: +30% compared to the preceding fiscal year) is anticipated reflecting the completion of new data centers and an increase in utilization rates. Additionally, for both fiscal years, an increase in free cash flow (free cash flow for the fiscal year ending March 2028: +65% compared to the preceding fiscal year; free cash flow for the fiscal year ending March 2029: +37% compared to the preceding fiscal year) is expected due to a reduction in capital expenditure in line with financial stability. For the fiscal year ending March 2032, a significant decrease in free cash flow (free cash flow for the fiscal year ending March 2032: -72% compared to the preceding fiscal year) is anticipated due to an increase in capital expenditures and the absence of proceeds from the sale of data center equipment. However, for the fiscal year ending March 2030, an increase in free cash flow is expected due to a decrease in capital expenditures related to data center facilities. For the fiscal year ending March 2031, an increase in free cash flow is anticipated due to increases in revenue, operating profit, and EBITDA, as well as a decrease in capital expenditures. For the fiscal years ending March 2033 and March 2034, an increase in free cash flow is, respectively, expected due to increases in revenue, operating profit, and EBITDA (free cash flow for the fiscal year ending March 2030: +116% compared to the preceding fiscal year; free cash flow for the fiscal year ending March 2031: +646% compared to the preceding fiscal year; free cash flow for the fiscal year ending March 2033: +75% compared to the preceding fiscal year; and free cash flow for the fiscal year ending March 2034: +34% compared to the preceding fiscal year). Note, however, that the synergistic effects expected to be realized through the execution of the Transaction, excluding the effect of reduced costs for maintaining public listing, are not included in the above calculations, as it is difficult to estimate the synergistic effects at this point in time.

(Unit: 1 million yen)

Domestic Business, etc.	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028
Revenue	1,884,000	2,013,000	2,160,000
Operating profit	215,000	245,000	303,000
EBITDA	371,000	401,000	459,000
Free cash flow	145,080	119,819	158,210

	(Unit: 1 million yen)								
	Overseas Business, etc.	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028					
	Revenue	2,510,000	2,665,000	2,824,000					
	Operating profit	85,000	128,000	165,000					
	EBITDA	158,000	201,000	238,000					
	Free cash flow	104,517	61,869	91,976					
(Unit: 1 million yen)									
Data Center Business	Fiscal year ending March 2026	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029	Fiscal year ending March 2030	Fiscal year ending March 2031	Fiscal year ending March 2032	Fiscal year ending March 2033	Fiscal year ending March 2034
Revenue	542,725	470,124	562,091	625,058	625,540	718,157	740,000	784,000	872,000
Operating profit	222,037	119,000	155,000	200,000	174,000	205,000	186,000	197,000	226,000
EBITDA	304,037	218,000	274,000	328,000	315,000	367,000	363,000	387,000	428,000
Free cash flow	(270,799)	(351,365)	(123,322)	(77,685)	12,147	90,636	25,656	44,819	60,039
<b>iii) Outline of the Fairness Opinion (PLUTUS CONSULTING)</b>									
<p>On May 7, 2025, the Special Committee obtained the Fairness Opinion (PLUTUS CONSULTING) from PLUTUS CONSULTING which states that the Tender Offer Price of 4,000 yen per share is fair to the minority shareholders of the Target Company from a financial point of view (Note 3). The Fairness Opinion (PLUTUS CONSULTING) expresses the opinion that the Tender Offer Price of 4,000 yen per share is fair to the minority shareholders of the Company from a financial point of view based on the results of the share valuation which reflects the business plan prepared by the Target Company. The Fairness Opinion (PLUTUS CONSULTING) was prepared after PLUTUS CONSULTING received from the Target Company the current status of the Target Company’s business, future business plans, and explanations thereof, and after engaging in question and answer sessions with the Target Company regarding, in addition to the results of the Target Company’s share valuation, the overview, background, and purpose of the Tender Offer, and after conducting a review of the Target Company’s business environment and the economic, market, and financial conditions, etc., to the extent deemed necessary by PLUTUS CONSULTING, and a review procedure by a review committee independent of the engagement team at PLUTUS CONSULTING.</p>									



	<p><b>(vii) Advice from Independent Law Firms to the Special Committee</b></p> <p>As described above in “(v) Establishment of an Independent Special Committee in the Target Company and Obtaining Advisory Report from the Special Committee”, the Special Committee appointed Nishimura &amp; Asahi as its legal advisor independent from the Tender Offeror and the Target Company Group, and Nishimura &amp; Asahi has provided legal advice on the measures to be taken to ensure the fairness of the procedures in the Transaction, as well as on the examination and deliberation of Consultation Matters by the Special Committee. Nishimura &amp; Asahi is not a related party of either the Tender Offeror or Company Group, and does not have any material interest in the Transaction including the Tender Offer. Nishimura &amp; Asahi’s remuneration is calculated by multiplying the operating hours by the hourly rate, regardless of the success or failure of the Transaction, and does not include a contingency fee that is contingent upon the consummation of the Transaction.</p> <p><b>(viii) Approval of All Non-Interested Directors of the Target Company (Including Audit and Supervisory Committee Members)</b></p> <p>Based on the legal advice from Nakamura, Tsunoda &amp; Matsumoto and Nagashima Ohno &amp; Tsunematsu, advice from a financial viewpoint, the Share Valuation Report (Daiwa Securities) and the Fairness Opinion (Daiwa Securities) from Daiwa Securities, the Share Valuation Report (PLUTUS CONSULTING) and the Fairness Opinion (PLUTUS CONSULTING) submitted to the Target Company through the Special Committee, the Advisory Report received from the Special Committee, the contents of multiple ongoing discussions with the Tender Offeror, and other related materials, the Target Company carefully discussed and considered whether the Transaction, including the Tender Offeror’s Tender Offer, will contribute to the enhancement of the Target Company’s corporate value and whether or not the conditions of the Transaction including the Tender Offer Price is appropriate. As a result, as described in “(ii) Process leading to and Reasons for the Target Company’s Decision to Support the Tender Offer” in “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” in “3. Purpose of the Purchase” above, the board of directors of the Target Company unanimously, among the directors who joined the discussion and resolution, resolved at the meeting of the board of directors held on May 8, 2025 to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.</p> <p>At the aforementioned meeting of the board of directors of the Target Company, taking into consideration the fact that, among the 11 directors of the Target Company, Mr. Kazuhiko Nakayama has served as an executive officer of the Tender Offeror in the past, Mr. Eiichi Sakamoto has served as a director of the Tender Offeror in the past, and Mr. Patrizio Mapelli is scheduled to be nominated as a candidate for director of the Tender Offeror at the Tender Offeror’s annual general meeting of shareholders to be held in June 2025, from the viewpoint of eliminating as much as possible the risk of the deliberations and resolutions at meetings of the board of directors of the Target Company being affected by structural conflict of interest issues and information</p>
--	--

	<p>asymmetry issues in the Transaction, the above resolution was unanimously resolved after deliberation by all 8 directors (including those who are audit and supervisory committee members) except Mr. Kazuhiko Nakayama, Mr. Eiichi Sakamoto, and Mr. Patrizio Mapelli.</p> <p>In addition, in light of the fact that the Transaction falls under a transaction with structural conflicts of interest and asymmetric information issues, among the directors of the Target Company, Mr. Kazuhiko Nakayama, Mr. Eiichi Sakamoto, and Mr. Patrizio Mapelli did not participate in the deliberations and resolutions of the board of directors meetings regarding the Transaction, including the above board of directors meetings (concerning Mr. Patrizio Mapelli, limited to deliberations and resolutions made on or after April 18, 2025, when the Tender Offeror notified the Target Company of its intention to recommend him as a candidate for director of the Tender Offeror (to be proposed at the Tender Offeror’s annual general meeting of shareholders scheduled for June 2025)), from the perspective of eliminating as much as possible the possibility of being affected by these issues, nor did they participate in the discussions and negotiations regarding the Transaction on behalf of the Target Company (concerning Mr. Patrizio Mapelli, limited to discussions and negotiations made on or after April 18, 2025, when the Tender Offeror notified the Target Company of its intention to recommend him as a candidate for director of the Tender Offeror (to be proposed at the Tender Offeror’s annual general meeting of shareholders scheduled for June 2025)).</p> <p><b>(ix) Absence of Deal Protection Provision</b></p> <p>There are no agreements between the Target Company and the Tender Offeror in the nature of deal protection provisions restricting the Target Company from contacting competing offerors, etc. and the Tender Offeror and the Target Company have been mindful of ensuring fairness in the Tender Offer by not preventing any opportunity for a competing offer.</p> <p><b>(x) Measures to Ensure that the Target Company’s Shareholders have the Opportunity to make Appropriate Judgments as to whether or not to Tender in the Tender Offer</b></p> <p>As stated in “(5) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” in “3. Purpose of the Purchase” above, the Tender Offeror ensures an opportunity for the Target Company’s shareholders to properly decide whether or not to tender their shares in the Tender Offer and gives consideration to avoid placing coercive pressure on the Target Company’s shareholders by (i) employing methods ensuring the Target Company’s shareholders’ right to request purchase of shares or right to petition for a determination of the price of shares, wherein depending on the number of shares acquired by the Tender Offeror through the successful completion of the Tender Offer, the Tender Offeror, promptly after the completion of the settlement of the Tender Offer, either will make the Demand for Share Transfers or will make a demand to the Target Company to convene the Extraordinary General Shareholders’ Meeting at which the agenda items will include proposals for the implementation of the Share Consolidation and a partial amendment to</p>
--	---

	<p>the Target Company’s articles of incorporation to abolish the provisions on share units on the condition that the Share Consolidation takes effect, and (ii) clarifying that the amount of money to be delivered to the Target Company’s shareholders as consideration for each share of the Target Company Shares in the Demand for Share Transfers or the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by those shareholders (excluding the Target Company and the Tender Offeror).</p> <p>In addition, while the statutory requirement of the tender offer period is 20 business days at minimum, the Tender Offeror will set the Tender Offer Period as 30 business days, which is relatively long compared to the shortest tender offer period specified by laws and regulations. By setting a relatively long Tender Offer Period, the Tender Offeror intends to ensure that the shareholders of the Target Company have an opportunity to properly decide whether to tender their shares in the Tender Offer, and thereby ensuring the fairness of the Target Company Offer Price.</p> <p>Further, the Tender Offeror owns 809,677,800 Target Company Shares (Ownership Ratio: 57.73%) as of the submission date of this Statement as stated in “(1) Overview of the Tender Offer” in “3. Purpose of the Purchase” above, so if the Tender Offeror were to set a minimum number of shares to be purchased in the Tender Offer as the so-called “majority of minority”, it believes that the successful completion of the Tender Offer would become uncertain and that it is possible that setting such minimum number would not contribute to the interests of general shareholders who wish to tender their shares in the Tender Offer. Therefore, the Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer as the majority of minority. However, the Tender Offeror and the Target Company believe that because the measures set out in (i) through (x) above have been taken and measures to ensure the fairness in the terms of the Transaction including the Tender Offer Price have been fully taken by the Tender Offeror and the Target Company, the interests of the minority shareholders of the Target Company have been fully considered.</p>
--	---

(Note 1) In calculating the value of the Target Company Shares, Nomura Securities assumed the publicly-available information and all the information provided to Nomura Securities to be accurate and complete and did not independently verify the accuracy or completeness of such information. Nomura Securities did not conduct an independent assessment, valuation or appraisal, including any analysis or evaluation of individual assets and liabilities, of any assets or liabilities (including derivatives, off-balance sheet assets and liabilities and other contingent liabilities) of the Target Company or its affiliates nor did Nomura Securities make any request to a third-party valuation agent for any such valuation or appraisal. Nomura Securities assumed that the Target Company’s financial forecast (including the profit plan and other information) was reasonably considered or prepared based on the best projections and judgement made in good faith that were then available to the management of the Tender Offeror. The calculation by Nomura Securities reflects the information available to it and the economic conditions as of May 2, 2025. The sole purpose of the calculation by Nomura Securities is for the board of directors of the Tender Offeror to use the calculation results as a reference for considering the value of the Target Company Shares.

(Note 2) In expressing the opinion stated in this Fairness Opinion (Daiwa Securities), Daiwa Securities has assumed that all materials and information analyzed and reviewed by Daiwa Securities are accurate and complete, and has not independently verified the accuracy or completeness of such materials and information, nor is Daiwa Securities under any obligation to do so. In expressing the opinion stated in the Fairness Opinion (Daiwa Securities), Daiwa Securities assumes that no events that may affect the corporate value of the Target Company and that have not been disclosed to Daiwa Securities have occurred as of the date of the Fairness Opinion (Daiwa Securities). Daiwa Securities has not independently evaluated, appraised, or assessed the assets and liabilities (including, but not limited to, derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company and its affiliates, including the analysis and evaluation of each asset and liability, nor has it requested any third party to do so. Daiwa Securities has not evaluated the solvency or creditworthiness of the Target Company or its affiliates under any applicable laws or regulations relating to bankruptcy, insolvency or similar matters. Daiwa Securities has not conducted any physical inspection of the assets or facilities of the Target Company or its affiliates, and is not obligated to do so.

In expressing the opinion stated in the Fairness Opinion (Daiwa Securities), Daiwa Securities has assumed that the business plan, financial forecasts, and other information regarding the future provided to Daiwa Securities have been reasonably prepared based on the best estimates and judgments currently available to the management of the Target Company, and has relied on such information without conducting its own verification, with the consent of the Target Company. Daiwa Securities assumes that there have been no changes in circumstances that would have a material effect on the Target Company's assets, financial condition, business or future forecasts since the date of preparation or provision of the business plan, financial forecasts and other information related to the future provided to Daiwa Securities. In expressing the opinion and conducting the analysis underlying the Fairness Opinion (Daiwa Securities), Daiwa Securities has made numerous assumptions regarding industry conditions, general business and economic conditions, and other matters, many of which are beyond the control of the Target Company and the Tender Offeror. All forecasts included in the analysis of Daiwa Securities are not necessarily indicative of future results or actual values, and such results or values may be significantly better or worse than those suggested by such forecasts.

Daiwa Securities also assumes that all consents and approvals from governments, regulatory authorities and other parties necessary for the execution of the Tender Offer will be obtained without adversely affecting the expected benefits of the Tender Offer. Daiwa Securities has not been requested by the Target Company to consider the Target Company's decision regarding the implementation of the Tender Offer or to compare and evaluate the Tender Offer with other strategic options, nor has it conducted any such consideration. Daiwa Securities is not a legal, accounting or tax expert, and has not independently analyzed or examined the legality or validity of any matter related to the Tender Offer, or the appropriateness of its accounting and tax treatment, and is not obligated to do so.

Daiwa Securities will receive fees in addition to those already received as consideration for providing advisory services in connection with the Tender Offer (the “**Advisory Services**”). The Target Company has agreed to indemnify Daiwa Securities for certain liabilities that may arise in connection with the Advisory Services. Daiwa Securities and its affiliates may provide or may in the future provide investment and financial services, including securities-related services, to the Target Company, the Tender Offeror and their respective affiliates for a fee. In addition, Daiwa Securities and its affiliates may trade or

hold financial instruments, including securities and derivative financial instruments, of the Target Company, the Tender Offeror and their respective affiliates for their own accounts or for the accounts of their customers.

The Fairness Opinion (Daiwa Securities) has been prepared solely for the purpose of providing reference information to the board of directors of the Target Company in its consideration of the Tender Offer Price. Daiwa Securities does not recommend any specific purchase price to the Target Company or its board of directors, nor does it recommend that any specific purchase price is the only appropriate purchase price. Furthermore, the Target Company may not disclose, transmit, or refer to the Fairness Opinion (Daiwa Securities) to any third party without the prior written consent of Daiwa Securities. The opinions expressed in the Fairness Opinion (Daiwa Securities) are not intended for any third party other than the board of directors of the Target Company, and such third parties may not rely on or otherwise use such opinions for any purpose. Furthermore, the opinions of Daiwa Securities set forth in the Fairness Opinion (Daiwa Securities) do not constitute any recommendation or solicitation to the general shareholders of the Target Company regarding the exercise of their voting rights or other shareholder rights in connection with the Tender Offer, the transfer or acquisition of the Target Company Shares, or any other related matters.

In the Fairness Opinion (Daiwa Securities), Daiwa Securities expresses its opinion solely on whether the Tender Offer Price is fair from a financial point of view for the general shareholders of the Target Company, excluding the Tender Offeror and its affiliated companies. Daiwa Securities has not been requested to express an opinion, and has not expressed an opinion, on whether the Tender Offer Price is fair for any third parties other than the general shareholders of the Target Company, excluding the Tender Offeror and its affiliated companies, or on any other matters. Daiwa Securities does not express any opinion in the Fairness Opinion (Daiwa Securities) regarding the underlying facts or assumptions on which the Tender Offer Price is based, or regarding the decision-making process of the Target Company regarding the Tender Offer. Furthermore, Daiwa Securities does not express any opinion in the Fairness Opinion (Daiwa Securities) regarding the price of the common shares of the Target Company traded after the date of the Fairness Opinion (Daiwa Securities). Daiwa Securities does not express any opinion regarding the fairness of the amount or nature of any compensation that any officer, director, employee, or similar person involved in the Tender Offer is expected to receive in connection with the Tender Offer Price. Daiwa Securities has not been authorized by the Target Company or its board of directors to solicit any third party other than the Tender Offeror to express an interest in the acquisition of all or any part of the Target Company, and has not previously engaged in such solicitation.

The opinions of Daiwa Securities set forth in the Fairness Opinion (Daiwa Securities) are based on the financial, economic, market, and other conditions as of the date of the Fairness Opinion (Daiwa Securities) and on information available to Daiwa Securities as of such date. Furthermore, the opinions of Daiwa Securities set forth in the Fairness Opinion (Daiwa Securities) may be affected by changes in future circumstances; however, Daiwa Securities has no obligation to update, revise, or reconfirm such opinions.

(Note 3) In preparing the Fairness Opinion (PLUTUS CONSULTING), PLUTUS CONSULTING has assumed that the basic materials provided by the Target Company and materials available to the public, as well as information obtained from the Target Company, are accurate and complete. PLUTUS CONSULTING has not conducted its own investigation or verification of the accuracy or completeness of such information and is not obligated to

do so. Therefore, PLUTUS CONSULTING shall not be liable for any deficiencies in these materials or for the non-disclosure of important facts.

PLUTUS CONSULTING assumes that the business plans and other materials used as the basis for the Fairness Opinion (PLUTUS CONSULTING) have been prepared reasonably based on the best estimates and judgments at the time of preparation of such materials. PLUTUS CONSULTING does not guarantee the feasibility of these plans and does not express any opinion on the analysis or forecasts on which they are based or the assumptions on which they are based.

PLUTUS CONSULTING is not a legal, accounting, or tax professional. Therefore, PLUTUS CONSULTING does not express any opinion on legal, accounting, or tax issues related to the Tender Offer, nor is it obligated to do so.

PLUTUS CONSULTING has not conducted any independent evaluation or appraisal of the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company and its affiliates, including analysis and evaluation of individual assets and liabilities, and has not received any evaluation or appraisal reports in this regard. Accordingly, PLUTUS CONSULTING has not evaluated the solvency of the Company and its affiliates.

The Fairness Opinion (PLUTUS CONSULTING) expresses an opinion on the fairness of the Tender Offer Price from a financial point of view for the purpose of assisting the Target Company in expressing its opinion on the Tender Offer. Therefore, the Fairness Opinion (PLUTUS CONSULTING) does not express any opinion on the relative merits of transactions that may be alternative options to the Tender Offer, the benefits to be obtained by the implementation of the Tender Offer, or the advantages and disadvantages of implementing the Tender Offer.

The Fairness Opinion (PLUTUS CONSULTING) does not express any opinion to the holders of securities issued by the Target Company, creditors, or other related parties. Therefore, PLUTUS CONSULTING shall not be liable to any shareholders or third parties who rely on the Fairness Opinion (PLUTUS CONSULTING).

PLUTUS CONSULTING does not solicit investment in the Target Company and has no authority to do so. Therefore, the Fairness Opinion (PLUTUS CONSULTING) does not recommend that shareholders take any action, including tendering their shares in the Tender Offer.

The Fairness Opinion (PLUTUS CONSULTING) is not an opinion on whether the Tender Offer Price is fair to the minority shareholders of the Target Company from a financial point of view. The Fairness Opinion (PLUTUS CONSULTING) is based on the financial and capital markets, economic conditions, and other circumstances as of the date of submission of the Fairness Opinion (PLUTUS CONSULTING), and on information provided to PLUTUS CONSULTING or obtained by PLUTUS CONSULTING as of that date. PLUTUS CONSULTING is not obligated to revise, change, or supplement its opinion even if these assumptions change due to future circumstances.

The Fairness Opinion (PLUTUS CONSULTING) does not infer or imply any opinions other than those expressly stated in the Fairness Opinion (PLUTUS CONSULTING) or regarding matters after the date of submission of the Fairness Opinion (PLUTUS CONSULTING).

**(3) Number of Shares to Be Purchased**

Types of shares	Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
Common Stock	592,810,968 shares	125,314,700 shares	– shares
Total	592,810,968 shares	125,314,700 shares	– shares

- (Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (125,314,700 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of the Tendered Shares is equal to or exceeds the minimum number of shares to be purchased (125,314,700 shares), the Tender Offeror will purchase all of the Tendered Shares
- (Note 2) The number of shares to be purchased sets out the maximum number of shares of the Target Company to be acquired by the Tender Offeror in the Tender Offer (592,810,968 shares). That maximum number of shares (592,810,968 shares) is the number of shares obtained by deducting the number of the treasury shares owned by the Target Company as of March 31, 2025 set out in the Target Company Financial Results (11,232 shares) and the number of Target Company Shares held by the Tender Offeror (809,677,800 shares) from the total number of issued shares as of March 31, 2025 set out in the Target Company Financial Results (1,402,500,000 shares).
- (Note 3) Shares less than one unit are also eligible for the Tender Offer. In addition, if a shareholder exercises its right to request the purchase of shares less than one unit in accordance with the Companies Act, the Target Company might purchase its own shares during the Tender Offer Period in accordance with procedures required by laws and regulations.
- (Note 4) The Tender Offeror does not intend to acquire treasury shares owned by the Target Company through the Tender Offer.

## 5. Ownership Ratio of Shares After the Purchase

Category	Number of voting rights
Number of voting rights pertaining to the shares to be purchased (units) (a)	5,928,109
Number of voting rights represented by dilutive shares included in (a) above (units) (b)	—
Number of voting rights represented by beneficiary securities of shares in trust and depository receipts for shares which represent the rights of share certificates included in (b) above (units) (c)	—
Number of voting rights represented by shares owned by the Tender Offeror (as of May 9, 2025) (units) (d)	8,096,778
Number of voting rights represented by dilutive shares included in (d) above (units) (e)	—
Number of voting rights represented by beneficiary securities of shares in trust and depository receipts for shares which represent the rights of share certificates included in (e) above (units) (f)	—
Number of voting rights represented by shares owned by special related parties (as of May 9, 2025) (units) (g)	0
Number of voting rights represented by dilutive shares included in (g) above (units) (h)	—
Number of voting rights represented by beneficiary securities of shares in trust and depository receipts for shares which represent the rights of share certificates included in (h) above (units) (i)	—
Number of voting rights held by all shareholders, etc. of the Target Company (as of September 30, 2024) (units) (j)	14,023,464
Percentage of the number of voting rights represented by shares to be purchased to the total number of voting rights held by all shareholders, etc. (a/j) (%)	42.27
Ownership ratio of the shares after the purchase ((a + d + g) / (j + (b - c) + (e - f) + (h - i)) x 100) (%)	100.00

(Note 1) “Number of voting rights pertaining to the shares to be purchased (units) (a)” is the number of voting rights pertaining to the number of shares to be purchased in the Tender Offer.

(Note 2) “Number of voting rights represented by shares owned by special related parties (as of May 9, 2025) (units) (g)” is the total number of voting rights represented by shares held by each special related party (other than special related parties who are not considered special related parties pursuant to Article 3, paragraph (2), item (i), of the Ordinance for the purpose of calculating the Ownership Ratio of Shares set out in each item under Article



27-2, paragraph (1) of the Act). Since shares held by the special related parties (excluding the treasury shares owned by the Target Company) are subject to the Tender Offer, “Number of voting rights represented by shares owned by special related parties (as of May 9, 2025) (units) (g)” is not included in the numerator when calculating the “Ownership ratio of the shares after the purchase.” If it is necessary for the Tender Offeror to revise this Statement upon confirming the shares of the Target Company owned by special related parties after submission of this Statement, the Tender Offeror will submit an amendment registration statement for this Statement.

(Note 3) “Number of voting rights held by all shareholders, etc. of the Target Company (as of September 30, 2024) (units) (j)” is the number of voting rights of all shareholders as of September 30, 2024 (based on the number of shares per unit being 100 shares) set out in the Semiannual Securities Report for the 37th Business Period submitted by the Target Company on November 8, 2024. However, given that shares less than one unit are also to be purchased in the Tender Offer, in the calculation of the “Percentage of the number of voting rights represented by shares to be purchased to the total number of voting rights held by all shareholders, etc.” and the “Ownership ratio of the shares after the purchase,” the number of voting rights (14,024,887 voting rights) pertaining to the number of shares (1,402,488,768 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2025 set out in the Target Company Financial Results (11,232 shares) from the total number of issued shares of the Target Company as of March 31, 2025 set out in the Target Company Financial Results (1,402,500,000 shares) is used as the denominator.

(Note 4) The figures in the “Percentage of the number of voting rights represented by shares to be purchased to the total number of voting rights held by all shareholders, etc.” and the “Ownership ratio of the shares after the purchase” are rounded to two decimal places.

## 6. Licenses, Etc. Concerning Acquisition of Shares

### (1) Types of Shares

Common stock

### (2) Relevant Laws and Regulations

In accordance with the U.K. National Security and Investment Act, the Tender Offeror must give a prior notification regarding the acquisition of the Target Company Shares by the Tender Offeror through the Tender Offer (the “**Acquisition of Shares**”) to the Secretary of State in advance of the Acquisition of Shares. If the Secretary of State approves the Acquisition of Shares or does not prohibit the Acquisition of Shares or take other measures within a certain review period from the date on which the notification was accepted (in principle, 30 business days; however, the period may be extended), the Tender Offeror may implement the Acquisition of Shares. The Tender Offeror submitted the prior notification regarding the Acquisition of Shares to the Secretary of State on March 19, 2025 (local time) and the notification was accepted as of March 19, 2025 (local time). Thereafter, the Tender Offeror received from the Secretary of State a communication confirming the approval of the Acquisition of Shares on April 30, 2025.

### (3) Date and Number of Approval

Date of approval: April 30, 2025 (upon receipt of a communication to the effect that the Acquisition of Shares is approved)

Number of approval: 3800-4aal (the number of the communication to the effect that the Acquisition of Shares is approved)

## 7. Method of Tendering Shares and Cancelling Agreements

### (1) Method of Tendering Shares

#### (i) Tender Offer Agent

Nomura Securities Co., Ltd. 1-13-1, Nihombashi, Chuo-ku, Tokyo

- (ii) Any person who accepts an offer to purchase the shares subject to the Tender Offer or who is tendering shares in response to such offer (“**Tendering Shareholder**”) is asked to state the required items in a prescribed Tender Offer Application Form at the main office or any branch in Japan of the tender offer agent no later than 15:30 on the last day of the Tender Offer Period. A seal, My Number (Individual Number) or corporate number, and documents for identity confirmation or the like may be necessary when tendering shares (Note 1).

If a Tendering Shareholder tenders shares through the online service (the online service exclusively offered to customers who have accounts with the tender offer agent), the procedures should be completed through the online service at <https://hometrade.nomura.co.jp/> by 15:30 on the last day of the Tender Offer Period. In order to tender shares through the online service, the Tendering Shareholder needs to apply for use of the online service with an account in the name of the Tendering Shareholder opened by the Tendering Shareholder at the tender offer agent (the “**Account of Tendering Shareholder**”) (Note 2).

- (iii) When accepting a tender of shares, it is necessary for the shares to be tendered to be recorded in the relevant Account of Tendering Shareholder. To that end, if the shares to be tendered are recorded in an account that has been opened at a financial instruments business operator, etc. other than the tender offer agent (including where those shares are recorded in a special account opened at Sumitomo Mitsui Trust Bank, Limited, which is the account administrator for the Target Company’s special accounts), the Tendering Shareholder will be required to complete procedures to make a transfer to the Account of Tendering Shareholder prior to the tendering thereof.
- (iv) Tendering for the Tender Offer via a financial instruments business operator other than the tender offer agent will not be accepted in the Tender Offer.
- (v) Any shareholder residing in a country other than Japan who does not have accounts with the tender offer agent that are available for trading (including corporate shareholders, “**Foreign Shareholder**”) is to tender shares through its standing proxy in Japan. A person residing in a country other than Japan cannot tender shares through the online service.
- (vi) In the case of a shareholder who is an individual residing in Japan, the difference between the sales proceeds of the shares sold in the Tender Offer and the acquisition costs will be, in principle, subject to the application of self-assessed, separate taxation concerning any capital gain, etc. earned from the transfer of shares, etc. (Note 3)

- (vii) If all of the Tendered Shares are ultimately not purchased, the shares that are not purchased will be returned to the Tendering Shareholders.

(Note 1) Seal, My Number (Individual Number) or corporate number, and documents for identity confirmation or the like

If a Tendering Shareholder opens a new account with Nomura Securities Co., Ltd., the tender offer agent, the Tendering Shareholder will be required to submit his/her seal as well as My Number (Individual Number) or corporate number and documents for identity confirmation or the like. Also, even if the Tendering Shareholder already has an account with the tender offer agent, the Tendering Shareholder may be required to submit his/her My Number (Individual Number) or corporate number and documents for identity confirmation or the like each time that procedures for a change of address or change of handling branch, tax-related procedures, or other procedures are carried out. Required documents for identity confirmation will be different depending on the type of document submitted to verify My Number (Individual Number). Please inquire with the tender offer agent about the details of documents for verifying My Number (Individual Number) or corporate number and documents for identity confirmation.

For Individuals:

Documents required when submitting My Number (Individual Number)

When submitting My Number (Individual Number), a prescribed “My Number Submission Form,” as well as (a) a document for verifying My Number (Individual Number) and (b) a document(s) for identity confirmation will be required.

\* Please provide a document showing the name, address, and date of birth stated in the Tender Offer Application Form.

\* Documents must be unexpired, or issued within the last six months for documents without an expiry date (as of the date on which Nomura Securities Co., Ltd. accepts them) (Notification Cards remain valid more than six months after the issue date.).

\* A Tendering Shareholder who goes through the procedures for tendering at the head office or a branch office of Nomura Securities Co., Ltd. will be requested to present originals of any required documents (photocopies of the documents for identity confirmation may be taken).

\* If a copy is presented, the Tendering Shareholder may be requested to present an original on another occasion.

\* Nomura Securities Co., Ltd. will send a notification to open an account by registered mail (non-forwardable) to the address stated in the document for identity confirmation to verify the identity of the Tendering Shareholder.

\* When a document for identity confirmation for opening a new account, a change of address, or other procedures is submitted, the document for identity confirmation may also serve as a document required when submitting My Number (Individual Number) if it is a document for identity confirmation of the account holder (it is not necessary to submit multiple originals or copies of the same document).

\* As the information below is subject to change, the Tendering Shareholder should make an inquiry with the tender offer agent for more details of the documents for verifying My Number (Individual Number) and the documents for identity confirmation at the time of the relevant procedure.

(a) Documents for verifying My Number (Individual Number)

Any one of the following is required: Individual Number Card; Notification Card; a copy of a residence certificate stating My Number (Individual Number); or a certificate of items entered in residence certificate stating My Number (Individual Number).

(b) Documents for identity confirmation

Documents for verifying My Number (Individual Number)	Required documents for identity confirmation
Individual Number Card	Not required
Notification Card * Notification Cards not stating a current name and address cannot be used.	Any one of the documents described in (A) below; or Any two of the documents described in (B) below
Copy of a residence certificate stating My Number (Individual Number)	Any one of the documents described in (A) or (B) below (other than a copy of residence certificate and certificate of items entered in the residence certificate)
Certificate of items entered in residence certificate stating My Number (Individual Number)	

(A) Photo identification documents

- A copy of a valid original of the following must be submitted:

A passport; driver's license; certificate of driving history; physical disability certificate; mental disability certificate; medical rehabilitation handbook; residence card; or special permanent resident certificate.

\* Because passports applied for on or after February 4, 2020 do not include an "Information on Bearer" section, a copy of such a passport alone is not sufficient identification. Please submit it together with any other document for identity confirmation.

(B) Identification documents without photos

- An original or a copy of the original of the following issued within the past six months must be submitted:

A copy of a residence certificate; certificate of items entered in the residence certificate; or seal registration certificate.

- A copy of a valid original of the following must be submitted:

A health insurance card; pension handbook (on which the holder's name, address, and date of birth are stated); or welfare benefit certificate.

For Corporations:

A certificate of all recorded matters, document issued by a public office, or other document for identity confirmation will be required.

\* Details required for identification: (i) corporate name; and (ii) address of the head office or principal office

\* In addition to the verification of the identity of the relevant corporation, the identity of its representative or agent and the person in charge of the transaction (who executes the agreement) must be verified.

When submitting a corporate number, a printout of a search result on the “Corporate Number Publication Site” of the National Tax Agency or a copy of a “Notification of Corporate Number” will be required as a document for verifying the corporate number. Also, the prescribed “Corporate Number Submission Form” may be required.

For foreigners (exclusive of those residing in Japan) and corporations whose head office or principal office is located outside of Japan:

Documents for identity confirmation such as a document issued by a foreign government or an authorized international organization approved by the Japanese government or a similar document, which in each case must be equivalent to documents for identity confirmation of residents, will be required.

- (Note 2) An application will be necessary for using the online service. Please complete the application procedures early because a password will arrive at the applicant’s registered address about one week after applying for use of the online service. Tendering procedures at the handling branch will take less time if the procedures are carried out around the end of the Tender Offer Period.

Individuals: New applications will be accepted on the login page of the online service. Alternatively, please contact the handling branch or the online service support number.

Corporations: Please contact the handling branch. Only corporations for whom no proxies or other agents are registered may tender shares through the online service.

- (Note 3) Self-assessed, separate taxation concerning any capital gain, etc. from the transfer of shares (in the case of shareholders who are individuals)

Self-assessed, separate taxation applies, in principle, to any capital gain, etc. from the transfer of shares, etc. of individual shareholders. Each shareholder is to consult with experts such as a certified public tax accountant to make determinations for itself with respect to specific questions regarding tax matters.

- (viii) ADRs have been issued with respect to the Target Company Shares; however, according to the Target Company, the Target Company has not been involved in the issuance of the ADRs. As stated in “2. Class of Shares to be Purchased” above, the Tender Offeror has not included the ADRs in the classes of securities to be purchased in the Tender Offer. Holders of the ADRs who wish to tender into the Tender Offer are requested to first surrender the ADRs to their depository bank that issued them and receive delivery of the Target Company Shares corresponding to those ADRs prior to participating in the Tender Offer.

## **(2) Method of Cancelling an Agreement**

Any Tendering Shareholder may cancel any agreement relating to the Tender Offer at any time during the Tender Offer Period. If an agreement is to be cancelled, the relevant Tendering Shareholder is to deliver or send a document stating that the agreement relating to the Tender Offer will be cancelled (the “**Cancellation Document**”) to the main office or any branch in Japan of the entity designated below that received a tendering application no later than 15:30 on the last day of the Tender Offer Period. However, if the Cancellation Document is to be sent, they must reach no later than 15:30 on the last day of the Tender Offer Period.

Please request the cancellation of the agreement for Tendered Shares through the online service at <https://hometrade.nomura.co.jp/> or by delivering or sending the Cancellation Document. If cancelling through the online service, please follow the methods described on the web page and complete the cancellation procedures by 15:30 on the last day of the Tender Offer Period. Any agreement for the Tendered Shares at the handling branch cannot be cancelled by the cancellation procedures through the online service. If cancelling by delivering or sending the Cancellation Document, please request the handling branch to send the Cancellation Document in advance and deliver or send the Cancellation Document to the handling branch by 15:30 of the last day of the Tender Offer Period. However, if the Cancellation Document is to be sent, they must reach the person specified below no later than 15:30 on the last day of the Tender Offer Period.

### Person with authority to receive the Cancellation Document

Nomura Securities Co., Ltd.

1-13-1, Nihombashi, Chuo-ku, Tokyo

(or any branch in Japan of Nomura Securities Co., Ltd.)

## **(3) Method of Returning Shares**

If any Tendering Shareholder gives notice of its intention to cancel an agreement relating to the tender offer in the manner described in “(2) Method of Cancelling an Agreement” the Tendered Shares will be returned by the method described in “(4) Method of Returning Shares” in “10. Method of Settlement” below promptly following the completion of the cancellation procedures.

## **(4) Name and Location of the Head Office of the Financial Instruments Business Operator or Bank, Etc. to Hold and Return Shares**

Nomura Securities Co., Ltd. 1-13-1, Nihombashi, Chuo-ku, Tokyo

## 8. Funds Required for the Tender Offer

### (1) Funds, Etc., Required for the Tender Offer

Purchase price (yen) (a)	2,371,243,872,000
Type of consideration other than money	—
Total amount of consideration other than money	—
Purchase commission (b)	2,500,000,000
Other (c)	90,000,000
Total (a) + (b) + (c)	2,373,833,872,000

(Note 1) “Purchase price (yen) (a)” is the amount obtained by multiplying the number of shares to be purchased (592,810,968 shares) by the Tender Offer Price (4,000 yen).

(Note 2) “Purchase commission (b)” is the estimated amount of the commission to be paid to the tender offer agent.

(Note 3) “Other (c)” is the estimate of various fees and expenses, including fees for the public notice regarding the Tender Offer, and printing expenses of the Tender Offer Explanatory Statement and other necessary documents.

(Note 4) There are other expenses to be paid to the tender offer agent and fees for legal counsel, etc., but the amounts of those expenses and fees are not determined as of the date of this Statement.

(Note 5) The above amounts are exclusive of consumption tax, etc.

### (2) Deposits or Borrowings, Etc., that may be Appropriated to Funds Required for the Tender Offer

#### (i) Deposits as of One or Two Days Before the Submission Date of the Statement

Type	Amount (in thousands of yen)
-	-
Total (a)	-



**(ii) Borrowings Before the Submission Date of the Statement****a. Financial institutions**

	Lender's business category	Lender's name	Terms of the loan agreement	Amount (in thousands of yen)
1	—	—	—	—
2	—	—	—	—
Total				—

**b. Lenders other than financial institutions**

Lender's business category	Lender's name	Terms of the loan agreement	Amount (in thousands of yen)
—	—	—	—
Total			—

**(iii) Funds that are Planned to be Borrowed on or After the Submission Date of the Statement****a. Financial institutions**

	Lender's business category	Lender's name	Terms of the loan agreement	Amount (in thousands of yen)
1	—	—	—	—
2	Bank	MUFG Bank, Ltd. (1-4-5 Marunouchi, Chiyoda-ku, Tokyo)	Borrowing of funds required for purchase, etc. (Note 1) Repayment date: June 19, 2027 (if that day is not a business day, the repayment date will be the immediately following business day) (lump sum repayment on the due date) Interest rate: Variable interest rate based on Japanese Yen TIBOR Collateral: None	640,000,000
2	Bank	Mizuho Bank, Ltd.	Borrowing of funds required for purchase, etc. (Note 2) Repayment date: June 19, 2027 (if that day is not a business day, the repayment date will be the	640,000,000

		(1-5-5 Otemachi, Chiyoda-ku, Tokyo)	immediately following business day) (lump sum repayment on the due date) Interest rate: Variable interest rate based on Japanese Yen TIBOR Collateral: None	
2	Bank	Sumitomo Mitsui Banking Corporation (1-2-1 Marunouchi, Chiyoda-ku, Tokyo)	Borrowing of funds required for purchase, etc. (Note 3) Repayment date: June 19, 2027 (if that day is not a business day, the repayment date will be the immediately following business day) (lump sum repayment on the due date) Interest rate: Variable interest rate based on Japanese Yen TIBOR Collateral: None	640,000,000
2	Cooperative financial institution	The Norinchukin Bank (1-2-1 Otemachi, Chiyoda-ku, Tokyo)	Borrowing of funds required for purchase, etc. (Note 4) Repayment date: June 19, 2027 (if that day is not a business day, the repayment date will be the immediately following business day) (lump sum repayment on the due date) Interest rate: Variable interest rate based on Japanese Yen TIBOR Collateral: None	230,000,000
2	Bank	Sumitomo Mitsui Trust Bank, Limited (1-4-1 Marunouchi, Chiyoda-ku, Tokyo)	Borrowing of funds required for purchase, etc. (Note 5) Repayment date: June 19, 2026 (if that day is not a business day, the repayment date will be the immediately following business day) (lump sum repayment on the due date) Interest rate: Variable interest rate based on Japanese Yen TIBOR Collateral: None	230,000,000
Total (b)				2,380,000,000

(Note 1) On May 7, 2025, the Tender Offeror obtained a loan certificate as evidence of the above borrowing from MUFG Bank, Ltd. stating that it is ready to make a loan up to 640,000,000 thousand yen. The terms set out in the loan certificate attached hereto are planned to be set as the conditions precedent for implementing the loan.

(Note 2) On May 7, 2025, the Tender Offeror obtained a loan certificate as evidence of the above borrowing from Mizuho Bank, Ltd. stating that it is ready to make a loan up to 640,000,000

thousand yen. The terms set out in the loan certificate attached hereto are planned to be set as the conditions precedent for implementing the loan.

- (Note 3) On May 7, 2025, the Tender Offeror obtained a loan certificate as evidence of the above borrowing from Sumitomo Mitsui Banking Corporation stating that it is ready to make a loan up to 640,000,000 thousand yen. The terms set out in the loan certificate attached hereto are planned to be set as the conditions precedent for implementing the loan.
- (Note 4) On May 7, 2025, the Tender Offeror obtained a loan certificate as evidence of the above borrowing from The Norinchukin Bank stating that it is ready to make a loan up to 230,000,000 thousand yen. The terms set out in the loan certificate attached hereto are planned to be set as the conditions precedent for implementing the loan.
- (Note 5) On May 7, 2025, the Tender Offeror obtained a loan certificate as evidence of the above borrowing from Sumitomo Mitsui Trust Bank, Limited stating that it is ready to make a loan up to 230,000,000 thousand yen. The terms set out in the loan certificate attached hereto are planned to be set as the conditions precedent for implementing the loan.
- (Note 6) As of the submission date of this Statement, the Tender Offeror plans to raise the funds required for the purchase by borrowing funds directly from each of the financial institutions stated above; however, from the perspective of the group financial strategy, the Tender Offeror may change the method of raising the funds required for the purchase to another method in which NTT FINANCE CORPORATION borrows funds from each of the financial institutions stated above, and the Tender Offeror borrows the funds from NTT FINANCE CORPORATION. If the Tender Offeror decides to change the financing method during the Tender Offer Period, the Tender Offeror will submit an amendment registration statement for this Statement. Even if NTT FINANCE CORPORATION borrows funds from each of the financial institutions stated above due to the change in the financing method, the terms equivalent to those set out in the loan certificate attached hereto will be set as the conditions precedent for implementing the loan.

**b. Lenders other than financial institutions**

Lender's business category	Lender's name	Terms of the loan agreement	Amount (in thousands of yen)
-	-	-	-
Total (c)			-

**(iv) Other Financing Methods**

Details	Amount (in thousands of yen)
-	-
Total (d)	-

**(v) Total of Deposits or Borrowings, Etc., that may be Appropriated to Funds Required for the Tender Offer**

2,380,000,000 thousand yen ((a) + (b) + (c) + (d))

**(3) Relationship, Etc. Between the Issuer of Securities to be Used as Consideration for the Tender Offer and the Tender Offeror**

There are no applicable matters.

**9. Status of the Issuer of Securities to be Used as Consideration for the Tender Offer**

There are no applicable matters.

**10. Method of Settlement**

**(1) Name and Location of the Head Office of Financial Instruments Business Operator or Bank, Etc. in Charge of Settlement of the Tender Offer**

Nomura Securities Co., Ltd., 1-13-1, Nihombashi, Chuo-ku, Tokyo

**(2) Commencement Date of the Settlement**

June 26, 2025 (Thursday)

**(3) Method of Settlement**

A written notice of the purchase through the Tender Offer is to be sent by post to the address of each Tendering Shareholder (in the case of a Foreign Shareholder, of its standing proxy) without delay after the completion of the Tender Offer Period.

The purchases are to be made in cash. The Tendering Shareholder is entitled to receive the sales proceeds from the tender offer in the manner that it specifies, including by way of remittance, without delay after the commencement date of the settlement (a remittance fee may be charged).

**(4) Method of Returning Shares**

If all of the Tendered Shares are not purchased under the conditions set out in “(1) Conditions Listed in the Items of Article 27-13, Paragraph (4) of the Act and the Details of Those Conditions” and “(2) Conditions for Withdrawal of the Tender Offer, Details Thereof and Method of Disclosing the Withdrawal” in “11. Other Conditions and Methods of the Tender Offer” set out below, the shares that are to be returned will be returned to the Account of Tendering Shareholder with the tender offer agent by restoring the record to the status immediately preceding the tendering of those shares promptly after the second business day following the last day of the Tender Offer Period (or, if the Tender Offer has been withdrawn, after the day immediately following the date of that withdrawal) (if the Tendering Shareholders wish their shares to be transferred to an account of the relevant Tendering Shareholder established with other financial instruments business operators, etc., please confirm with the head office or any branch in Japan of the tender offer agent that accepted the tender).

## **11. Other Conditions and Methods of the Tender Offer**

### **(1) Conditions Listed in the Items of Article 27-13, Paragraph (4) of the Act and the Details of Those Conditions**

If the total number of Tendered Shares is less than the minimum number of the shares to be purchased (125,314,700 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or more than the minimum number of shares to be purchased (125,314,700 shares), the Tender Offeror will purchase all of the Tendered Shares.

### **(2) Conditions for Withdrawal of the Tender Offer, Details Thereof and Method of Disclosing the Withdrawal**

Upon the occurrence of any circumstance falling under the provisions of Article 14, paragraph (1), item (i), subitems (a) through (j) and subitems (m) through (s), item (iii), subitems (a) through (h) and subitem (j), and Article 14, paragraph (2), items (iii) through (vi) of the Enforcement Order, the Tender Offeror may withdraw or otherwise cancel the Tender Offer. In the Tender Offer, “facts equivalent to those set forth in (a) through (i)” prescribed in Article 14, paragraph (1), item (iii), subitem (j) of the Enforcement Order means either (A) the case where it is discovered that there is a false statement about a material particular or an omission of a statement about a material particular that is required to be stated with respect to any statutory disclosure documents submitted by the Target Company in the past, but the Tender Offeror was not aware of the existence of such false statement, etc. nor could the Tender Offeror have been aware of such false statement, etc. even with reasonable care or (B) the case where any of the facts listed in Article 14, paragraph (1), item (iii), subitem (a) through (g) of the Enforcement Order occurs in respect of a significant subsidiary of the Target Company.

If the Tender Offeror decides to withdraw or otherwise cancel the Tender Offer, the Tender Offeror will make a public notice electronically and publish a notice in the *Nihon Keizai Shimbun*. However, if it is difficult to make a public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the method prescribed in Article 20 of the Ordinance and give public notice immediately thereafter.

### **(3) Conditions for Reducing the Purchase Price, Details Thereof and Method of Disclosing the Reduction**

If the Target Company conducts any acts prescribed in Article 13, paragraph (1) of the Enforcement Order during the Tender Offer Period, pursuant to the provisions of Article 27-6, paragraph (1), item (i) of the Act, the purchase price may be reduced in accordance with the standards prescribed in Article 19, paragraph (1) of the Ordinance. If the Tender Offeror decides to reduce the purchase price, the Tender Offeror will make a public notice electronically and publish a notice in the *Nihon Keizai Shimbun*. However, if it is difficult to make a public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the method prescribed in Article 20 of the Ordinance and give public notice immediately thereafter. If the purchase price is reduced, the Tendered Shares that were tendered before the date of that public notice will also be purchased at the reduced purchase price.

**(4) Matters Concerning the Tendering Shareholders' Rights to Cancel Agreements**

Any Tendering Shareholders may cancel any agreements relating to the Tender Offer at any time during the Tender Offer Period. The canceling method will be in accordance with the method described in “(2) Method of Cancelling an Agreement” in “7. Method of Tendering Shares and Cancelling Agreements” above.

The Tender Offeror will not make any claim for damages against or request a penalty payment to a Tendering Shareholder in connection with the cancellation of an agreement by that Tendering Shareholder. In addition, the Tender Offeror will bear the costs of returning the Tendered Shares. If cancellation is proposed, the Tendered Shares will be returned promptly after the completion of the procedures for that cancellation proposal in the manner set out in “(4) Method of Returning Shares” in “10. Method of Settlement” above.

**(5) Method of Disclosure If Conditions, Etc. of the Tender Offer are Changed**

The Tender Offeror may change the conditions of the Tender Offer during the Tender Offer Period, except for any change prohibited by Article 27-6, paragraph (1) of the Act or Article 13, paragraph (2) of the Enforcement Order.

If the Tender Offeror wishes to change the conditions of the Tender Offer, the Tender Offeror will make a public notice electronically and publish a notice in the *Nihon Keizai Shimbun* detailing the contents of those changes. However, if it is difficult to make a public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement by the method prescribed in Article 20 of the Ordinance and give public notice immediately thereafter.

If the Tender Offer conditions, etc. are changed, the Tendered Shares that were tendered before the date of that public notice will also be purchased under those changed conditions.

**(6) Method of Disclosure When Submitting an Amendment to Tender Offer Registration Statement**

If an amendment to tender offer registration statement is submitted to the Director General of the Kanto Local Finance Bureau (excluding the case prescribed in the proviso of Article 27-8, paragraph (11) of the Act), the Tender Offeror will immediately announce the details set out in that amendment that relates to the contents of the public notice of the commencement of the Tender Offer by the method prescribed in Article 20 of the Ordinance. The Tender Offeror will also immediately amend the Tender Offer Explanatory Statement and deliver the amended Tender Offer Explanatory Statement to each Tendering Shareholder that has already received a Tender Offer Explanatory Statement. However, if an amendment is only minor in nature, the Tender Offeror will prepare a document stating the reasons for that amendment, the matters that have been amended and the amended contents, and deliver that document to the Tendering Shareholders.

**(7) Method of Disclosing the Results of the Tender Offer**

The Tender Offeror will publicly announce the results of the Tender Offer the day immediately following the last day of the Tender Offer Period, in accordance with the provisions of Article 9-4 of the Enforcement Order and Article 30-2 of the Ordinance.

## **II. Information on the Tender Offeror**

### **1. In the Case of a Company**

#### **(1) Outline of the Company**

##### **(i) History of the Company**

##### **(ii) Corporate Purpose and Business Overview**

##### **(iii) Amount of Capital and Total Number of Issued Shares**

##### **(iv) Major Shareholders**

As of [TBD]

Name	Address	Number of shares owned (in thousands of shares)	Percentage of the number of shares owned to total number of issued shares (excluding shares owned by the Tender Offeror) (%)
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
Total	—	—	—

**(v) Business Career of Officers and Number of Shares Owned by Officers**

As of [TBD]

Position	Role	Name	Date of Birth	Business Career	Number of shares owned (in thousands of shares)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
Total					—

**(2) Information on Accounting**

**(i) Balance Sheet**

**(ii) Profit and Loss Statement**

**(iii) Statement of Changes in Net Assets**

**(3) Matters Concerning the Tender Offeror as a Continuous Disclosure Company**

**(i) Documents Submitted by the Tender Offeror**

**(a) Annual securities report and accompanying documents**

Submitted to the Director General of the Kanto Local Finance Bureau on June 21, 2024 for the 39th Business Period (from April 1, 2023 to March 31, 2024)

**(b) Semiannual securities report**

Submitted to the Director General of the Kanto Local Finance Bureau on November 8, 2024 for the 40th Business Period (from April 1, 2024 to September 30, 2024)

**(c) Amendment report**

There are no applicable matters.

**(ii) Location Where the Above Documents are Available for Public Inspection**

Nippon Telegraph and Telephone Corporation  
(1-5-1, Otemachi, Chiyoda-ku, Tokyo)



Tokyo Stock Exchange, Inc.  
(2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

**2. In the Case of an Entity other than a Company**

There are no applicable matters.

**3. In the Case of an Individual**

There are no applicable matters.

### III. Status of Ownership and Status of Trading of Shares by the Tender Offeror and Special Related Parties Thereof

#### 1. Status of Ownership of Shares

##### (1) Total Shares Owned by the Tender Offeror and the Special Related Parties

(As of May 9, 2025)

	Number of shares owned	Number of shares that fall under Article 7, paragraph (1), item (ii) of the Enforcement Order	Number of shares that fall under Article 7, paragraph (1), item (iii) of the Enforcement Order
Share certificates	8,096,778 (units)	- (units)	- (units)
Share options certificates	-	-	-
Corporate bond certificates with share options	-	-	-
Beneficiary securities of share certificates, etc. in trust ( )	-	-	-
Depository receipts for share certificates, etc. ( )	-	-	-
Total	8,096,778	-	-
Total number of shares owned	8,096,778	-	-
(Total number of dilutive shares owned)	(-)	-	-

(Note 1) As of March 31, 2025, the Target Company, which is a special related party, owns 11,232 Target Company Shares (excluding Target Company Shares (402,100 shares) owned in the trust account of the stock delivery trust established for the stock remuneration plan for directors, etc. as of March 31, 2025); however, it has no voting rights because all of those shares are treasury shares.

(Note 2) If it is necessary for the Tender Offeror to revise this Statement upon confirming the shares of the Target Company owned by special related parties after submission of this Statement, the Tender Offeror will submit an amendment registration statement for this Statement.

**(2) Status of Ownership of Shares by the Tender Offeror**

(As of May 9, 2025)

	Number of shares owned	Number of shares that fall under Article 7, paragraph (1), item (ii) of the Enforcement Order	Number of shares that fall under Article 7, paragraph (1), item (iii) of the Enforcement Order
Share certificates	8,096,778 (units)	– (units)	– (units)
Share options certificates	–	–	–
Corporate bond certificates with share options	–	–	–
Beneficiary securities of share certificates, etc. in trust ( )	–	–	–
Depository receipts for share certificates, etc. ( )	–	–	–
Total	8,096,778	–	–
Total number of shares owned	8,096,778	–	–
(Total number of dilutive shares owned)	(-)	-	-

**(3) Status of Ownership of Shares by the Special Related Parties (Total for the Special Related Parties)**

(As of May 9, 2025)

	Number of shares Owned	Number of shares that fall under Article 7, paragraph (1), item (ii) of the Enforcement Order	Number of shares that fall under Article 7, paragraph (1), item (iii) of the Enforcement Order
Share certificates	- (units)	- (units)	- (units)
Share options certificates	-	-	-
Corporate bond certificates with share options	-	-	-

	Number of shares Owned	Number of shares that fall under Article 7, paragraph (1), item (ii) of the Enforcement Order	Number of shares that fall under Article 7, paragraph (1), item (iii) of the Enforcement Order
Beneficiary securities of share certificates, etc. in trust ( )	-	-	-
Depository receipts for share certificates, etc. ( )	-	-	-
Total	-	-	-
Total number of shares owned	-	-	-
(Total number of dilutive shares owned)	(-)	-	-

- (Note 1) As of March 31, 2025, the Target Company, which is a special related party, owns 11,232 Target Company Shares (excluding Target Company Shares (402,100 shares) owned in the trust account for the stock delivery trust established for the stock remuneration plan for directors, etc. as of March 31, 2025); however, it has no voting rights because all of those shares are treasury shares.
- (Note 2) If it is necessary for the Tender Offeror to revise this Statement upon confirming the shares of the Target Company owned by special related parties after submission of this Statement, the Tender Offeror will submit an amendment registration statement for this Statement.

**(4) Status of Ownership of Shares by the Special Related Parties (Breakdown for each Special Related Party)**

**(i) Special Related Party**

There are no applicable matters.

**(ii) Number of Shares Owned**

There are no applicable matters.

**2. Status of Trading of Shares**

**(1) Status of Trading During the 60-Day Period Before the Submission Date**

There are no applicable matters.

**3. Material Agreements Executed in Connection with the Shares**

There are no applicable matters.

**4. Agreements for Purchase, Etc. of the Shares on or after the Submission Date of this Statement**

There are no applicable matters.

#### IV. Transactions, Etc. Between the Tender Offeror and the Target Company

##### 1. Existence of Transactions Between the Tender Offeror and the Target Company or its Officers and the Details Thereof

##### (1) Existence of Transactions Between the Tender Offeror and the Target Company and the Details Thereof

(In millions of yen)

Overview of transactions	Fiscal year ended March 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)
Balance of deposits made by the Target Company Group with the Tender Offeror Group	90,936	79,537	63,526
Balance of short-term borrowings made by the Target Company Group from the Tender Offeror Group	594	6,450	568,495
Balance of long-term borrowings made by the Target Company Group from the Tender Offeror Group	377,049	1,524,889	1,430,615
Repayment of loans by the Target Company Group to the Tender Offeror Group	—	99,906	257,955
Interest expense on deposit of funds by the Target Company Group with the Tender Offeror Group	1	1	27
Interest expense on borrowing of funds by the Target Company Group from the Tender Offeror Group	1,057	23,033	71,255
Settlement of funds in transactions within the Tender Offeror Group companies	16,012	27,811	—
Succession of overseas businesses of the Target Company Group to the Tender Offeror Group	—	442,113	—
Acquisition of shares of the Tender Offeror's affiliated companies by the Target Company Group	—	112,000	—

##### (2) Existence of Transactions Between the Tender Offeror and Officers of the Target Company and the Details Thereof

There are no applicable matters.

**2. Existence of Agreements Between the Tender Offeror and the Target Company or its Officers, and the Details Thereof**

**(1) Agreements Between the Tender Offeror and the Target Company**

According to the Target Company Press Release, the Target Company resolved at the meeting of its board of directors held on May 8, 2025 to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For details regarding the above resolution of the board of directors of the Target Company, see the Target Company Press Releases and “(viii) Approval of All Non-Interested Directors of the Target Company (Including Audit and Supervisory Committee Members)” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” in “I. Terms of the Tender Offer” above.

**(2) Agreements Between the Tender Offeror and the Officers of the Target Company**

There are no applicable matters.

**(3) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer**

See “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” in “3. Purpose of the Purchase” in “I. Terms of the Tender Offer” above.

**(4) Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer**

See “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” in “I. Terms of the Tender Offer” above.

## **V. Status of the Target Company**

### **1. Profits and Losses for the Past Three Years**

#### **(1) Profits and Losses**

Fiscal period	—	—	—
Net sales	—	—	—
Cost of sales	—	—	—
Selling, general and administrative expenses	—	—	—
Non-operating income	—	—	—
Non-operating expenses	—	—	—
Net income (loss)	—	—	—

#### **(2) Per Share Information**

Fiscal period	—	—	—
Net income (loss) per share	—	—	—
Dividend per share	—	—	—
Net assets per share	—	—	—



## 2. Share Price

(In yen)

Name of the financial instruments exchange or approved financial instruments firms association	Prime Market of the Tokyo Stock Exchange						
Month	November 2024	December	January 2025	February	March	April	May
Highest share price	2,997.0	3,120.0	3,090.0	3,258.0	2,914.5	2,876.0	3,492.0
Lowest share price	2,295.5	2,844.0	2,813.0	2,755.0	2,665.0	2,310.0	2,869.0

(Note) For May 2025, the prices are taken from the relevant data before May 8, 2025.

## 3. Shareholders

### (1) Distribution of Shareholders by Shareholder Type

As of [TBD]

Category	Shares (number of shares per unit: [])								Shares less than one unit (shares)
	Governments and local governments	Financial institutions	Financial instruments business operators	Other corporations	Foreign entities, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders	—	—	—	—	—	—	—	—	—
Number of shares owned (units)	—	—	—	—	—	—	—	—	—
Shareholdings to number of shares issued (%)	—	—	—	—	—	—	—	—	—

**(2) Number of Shares held by Major Shareholders and Officers****(i) Major Shareholders**

As of [TBD]

Name	Address	Number of shares owned (shares)	Percentage of the number of shares owned to total number of issued shares (excluding shares owned by the Target Company) (%)
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
Total	—	—	—

**(ii) Officers**

As of [TBD]

Name	Position	Role	Number of shares owned (shares)	Percentage of the number of shares owned to total number of issued shares (excluding shares owned by the Target Company) (%)
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
Total	—	—	—	—

#### **4. Matters Concerning the Target Company as a Continuous Disclosure Company**

##### **(1) Documents Submitted by the Target Company**

###### **(i) Annual securities report and accompanying documents**

Submitted to the Director General of the Kanto Local Finance Bureau on June 21, 2023 for the 35th Business Period (from April 1, 2022 to March 31, 2023)

Submitted to the Director General of the Kanto Local Finance Bureau on June 19, 2024 for the 36th Business Period (from April 1, 2023 to March 31, 2024)

###### **(ii) Semiannual securities report**

Submitted to the Director General of the Kanto Local Finance Bureau on November 8, 2024 for the 37th Business Period (from April 1, 2024 to September 30, 2024)

###### **(iii) Extraordinary report**

There are no applicable matters.

###### **(iv) Amendment report**

Submitted the Amendment Report (as an amendment to the annual securities report for the 35th Business Period stated in (i) above) to the Director General of the Kanto Local Finance Bureau on July 21, 2023.

##### **(2) Location Where the Above Documents are Available for Public Inspection**

NTT DATA Group Corporation  
(3-3-3 Toyosu, Koto-ku, Tokyo)

Tokyo Stock Exchange, Inc.  
(2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

#### **5. Details of Facts Concerning the Implementation of Tender Offer, Etc. on Which Information has been Received**

There are no applicable matters.

#### **6. Other Matters**

##### **(1) Release of the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (IFRS)”**

The Target Company released the Target Company Financial Results on May 8, 2025. The status of profits and losses of the Target Company for that period based on the release are as follows. The details of the release have not been audited by an auditing firm under the provisions of Article 193-2, paragraph (1) of the Act. The outline of the release below is an excerpt of the information disclosed by the Target Company. For details, please refer to the release.

(i) **Profits and Losses (Consolidated)**

Fiscal Period	Fiscal year ended March 31, 2025
Net sales	4,638,721 million yen
Operating profit	323,862 million yen
Profit before tax	249,006 million yen
Profit attributable to shareholders of the Target Company	142,454 million yen
Comprehensive income attributable to shareholders of the Target Company	153,878 million yen

(ii) **Per Share Information (Consolidated)**

Fiscal Period	Fiscal year ended March 31, 2025
Net income per share	101.60 yen
Dividend per share	25.00 yen

(2) **Release of the “Notice Regarding Transfer of Fixed Assets (Data Center) of Consolidated Subsidiary”**

As stated in the “Notice Regarding Transfer of Fixed Assets (Data Center) of Consolidated Subsidiary” (the “**Data Center Transfer Press Release**”), issued by the Target Company on May 8, 2025, it was resolved at the meeting of the board of directors held on May 8, 2025 to transfer six data center assets held by an asset holding company under the control of NTT Limited, which is a consolidated subsidiary of the Target Company, to NTT DC REIT, a Singapore real estate investment trust scheduled to be listed on the Singapore Exchange (the “**Data Center Transfer**”).

The gain on sale resulting from the Data Center Transfer is reflected in the business plan that forms the basis for the valuation of the Target Company Shares described in “(ii) Summary of the valuation the Target Company Shares” in “(ii) Obtainment by the Target Company of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent” in “Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest, and Other Measures to Ensure the Fairness of the Tender Offer” in “Background of the Valuation” in “(2) Purchase Price” in “4. Purchase Period, Purchase Price, and Number of Shares to be Purchased” in “I. Terms of the Tender Offer” above.

For details of the Data Center Transfer, please refer to the Data Center Transfer Press Release.

## **Overview of Business Activities and Key Management Indicators, etc., Relating to the Tender Offeror**

### **Description of Business**

NTT Group (the Tender Offeror and the Tender Offeror's affiliates) consists of the Tender Offeror (Nippon Telegraph and Telephone Corporation), its 967 subsidiaries and its 141 affiliated companies (as of March 31, 2024). The principal business segments of NTT Group are its Integrated ICT Business, Regional Communications Business, Global Solutions Business, and Others (Real Estate, Energy and Others).

Details of the business and corporate position of the consolidated subsidiaries are described below.

#### **(1) Integrated ICT Business**

The principal services in the Integrated ICT Business are mobile phone services, domestic inter-prefectural communications services, international communications services, solutions services, system development services and related services.

(Consolidated Subsidiaries)

NTT DOCOMO, INC., NTT COMMUNICATIONS CORPORATION, NTT COMWARE CORPORATION, ORIX Credit Corporation, and 123 other companies.

#### **(2) Regional Communications Business Segment**

The principal services in the regional communications business segment are domestic intra-prefectural communications services and related ancillary services.

(Consolidated Subsidiaries)

NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, and 56 other companies.

#### **(3) Global Solutions Business**

The principal services in the Global Solutions Business are system integration services, network system services, cloud services, global data center services, and related services.

(Consolidated Subsidiaries)

NTT DATA GROUP CORPORATION, NTT DATA JAPAN CORPORATION, NTT DATA, Inc., NTT Ltd., Dimension Data Holdings, NTT Security Corporation, NTT America, NTT EUROPE, NTT Global Data Centers EMEA, NTT Cloud Communications International Holdings, NTT Global Data Centers Americas, NTT Global Networks, NETMAGIC SOLUTIONS, NTT Global Data Centers EMEA UK, NTT Managed Services Americas Intermediate Holdings, Transatel, Spectrum Holdings, NTT America Holdings II, Dimension Data Commerce Centre, NTT DATA Americas, NTT DATA Services Holdings, NTT DATA Services, NTT Data International, NTT DATA Europe & Latam, NTT DATA EUROPE, and 573 other companies.

#### **(4) Others (Real Estate, Energy and Others)**

Others includes the real estate business, energy business and others.

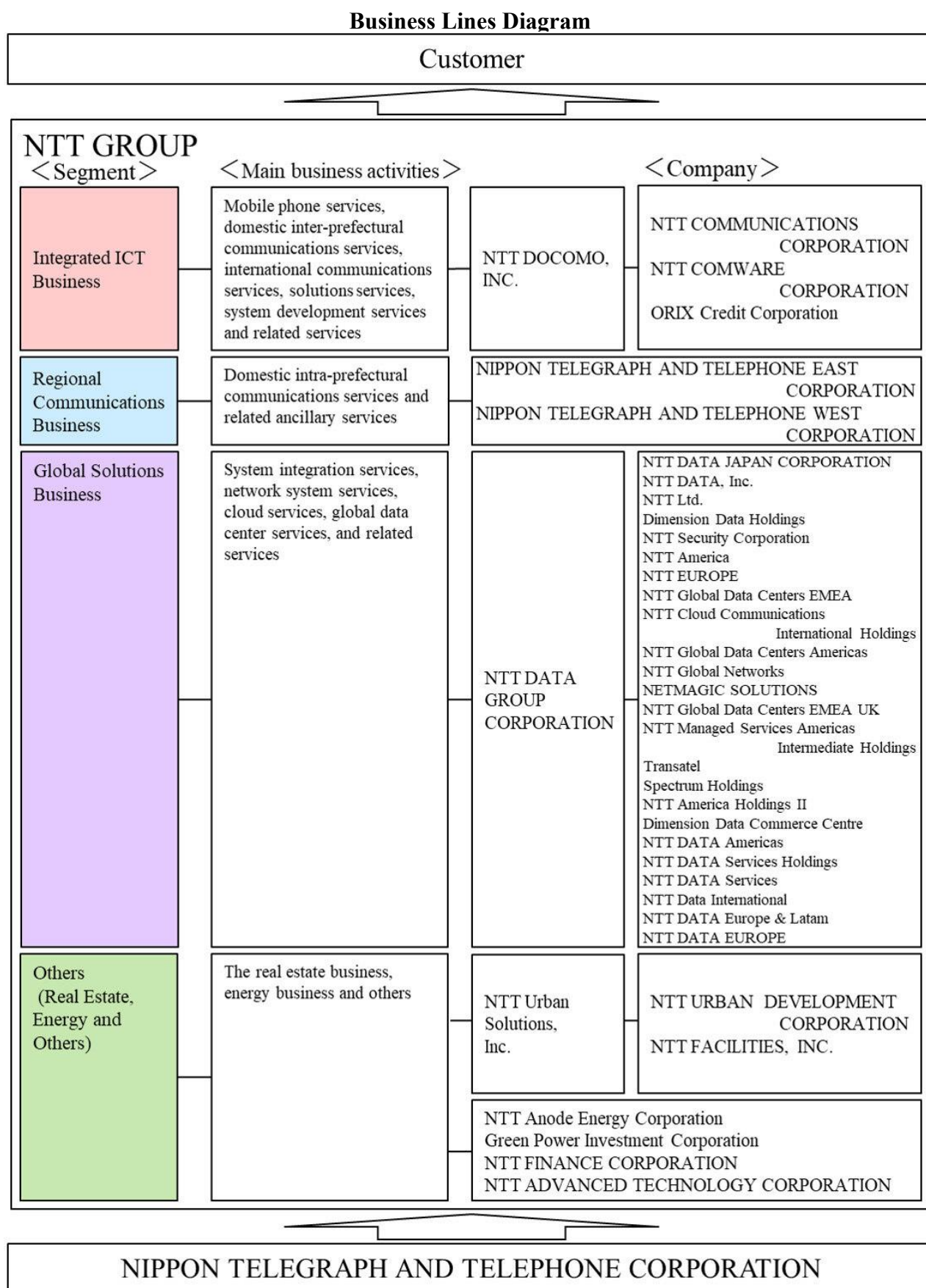
(Consolidated Subsidiaries)

NTT Urban Solutions, Inc., NTT URBAN DEVELOPMENT CORPORATION, NTT FACILITIES, INC., NTT Anode Energy Corporation, Green Power Investment Corporation,

NTT FINANCE CORPORATION, NTT ADVANCED TECHNOLOGY CORPORATION, and 177 other companies.

(Note) In this Statement, “NTT DOCOMO,” “NTT Communications,” “NTT Comware,” “NTT East,” “NTT West,” “NTT DATA Group,” “NTT DATA” refer to NTT DOCOMO, INC., NTT COMMUNICATIONS CORPORATION, NTT COMWARE CORPORATION, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT DATA GROUP CORPORATION and NTT DATA JAPAN CORPORATION respectively.

A diagram of NTT Group's business lines is included below.



## Key Management Indicators, Etc.

### (1) Consolidated Management Indicators, Etc.

		35th Business Term	36th Business Term	37th Business Term	38th Business Term	39th Business Term
		Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2024
Operating revenues	Millions of yen	11,899,415	11,943,966	12,156,447	13,136,194	13,374,569
Profit before taxes	Millions of yen	1,570,141	1,652,575	1,795,525	1,817,679	1,980,457
Profit attributable to NTT	Millions of yen	855,306	916,181	1,181,083	1,213,116	1,279,521
Comprehensive income (loss) attributable to NTT	Millions of yen	743,451	1,275,214	1,373,364	1,270,639	1,962,087
NTT shareholders' equity	Millions of yen	9,061,103	7,562,707	8,282,456	8,561,353	9,844,160
Total assets	Millions of yen	23,014,133	22,965,492	23,862,241	25,308,851	29,604,223
NTT shareholders' equity per share	Yen	99.70	83.52	93.55	100.44	117.08
Basic earnings per share attributable to NTT	Yen	9.25	9.93	13.17	13.92	15.09
Diluted earnings per share attributable to NTT	Yen	—	—	—	—	—
Equity ratio (ratio of NTT shareholders' equity to Total assets)	%	39.4	32.9	34.7	33.8	33.3
ROE (ratio of profit attributable to NTT)	%	9.3	11.0	14.9	14.4	13.9
Price earnings ratio	Multiple	11.1	11.5	10.8	11.4	11.9
Cash flows from operating activities	Millions of yen	2,995,211	3,009,064	3,010,257	2,261,013	2,374,159
Cash flows from investing activities	Millions of yen	(1,852,727)	(1,424,532)	(1,699,152)	(1,736,912)	(1,989,235)
Cash flows from financing activities	Millions of yen	(1,041,261)	(1,689,548)	(1,438,130)	(590,197)	(234,454)
Cash and cash equivalents at end of year	Millions of yen	1,033,574	935,727	834,564	793,920	982,874



Cash and cash equivalents at end of year	Number of people	319,039	324,667	333,840	338,651	338,467
[Average number of temporary employees]		[51,787]	[47,149]	[44,343]	[43,002]	[44,460]

- Notes: 1. NTT shareholders' equity does not include the portion attributable to non-controlling interests.
2. Diluted earnings per share attributable to NTT is not stated because NTT did not have potentially dilutive common shares that were outstanding during the period.
3. NTT shareholders' equity per share is calculated based on the number of shares outstanding at the end of the fiscal year, excluding treasury stock, and Basic earnings per share attributable to NTT is calculated based on the average number of shares outstanding during the fiscal year, excluding treasury stock. In addition, beginning with the 37th business term, NTT has adopted a BIP (Board Incentive Plan) trust stock compensation system for Members of the Board and Executive Officers.  
As a result, in calculating NTT shareholders' equity per share and Basic earnings per share attributable to NTT, shares held by such trust are included in the amount of treasury stock to be deducted from the calculation.
4. NTT conducted a two-for-one stock split of its common stock with an effective date of January 1, 2020 and a 25-for-1 stock split of its common stock with an effective date of July 1, 2023. The figures for NTT shareholders' equity per share and Basic earnings per share attributable to NTT for each fiscal year have been adjusted to reflect the impact of these stock splits.
5. Number of employees indicates the number of full-time employees as of March 31 of each of the years indicated. The average annual number of temporary employees for the fiscal years indicated is shown in brackets.
6. NTT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

## (2) Management Indicators, Etc. of the Tender Offeror

		35th Business Term	36th Business Term	37th Business Term	38th Business Term	39th Business Term
		Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2024
Operating revenues	Millions of yen	649,740	794,074	650,116	1,324,225	1,294,957
Recurring profit	Millions of yen	508,877	639,759	474,497	1,131,632	1,106,278
Net income	Millions of yen	480,769	639,237	470,502	1,152,905	1,166,938
Common stock	Millions of yen	937,950	937,950	937,950	937,950	937,950
Shares outstanding at end of year	Shares	3,900,788,940	3,900,788,940	3,622,012,656	3,622,012,656	90,550,316,400
Net assets	Millions of yen	4,845,260	5,176,630	5,012,166	5,194,125	6,048,907
Total assets	Millions of yen	6,834,082	11,476,431	11,664,291	11,805,898	12,284,883
Net assets per share	Yen	53.31	57.17	56.61	60.94	71.94
Dividends per share [Interim dividend per share (included above)]	Yen	95.00 [47.50]	105.00 [50.00]	115.00 [55.00]	120.00 [60.00]	5.10 [2.50]
Earnings per share	Yen	5.20	6.93	5.25	13.23	13.76
Diluted net income per share	Yen	—	—	—	—	—
Capital to asset ratio	%	70.9	45.1	43.0	44.0	49.2
Return on equity	%	9.6	12.8	9.2	22.6	20.8
Price earnings ratio	Multiple	19.8	16.4	27.0	12.0	13.1
Payout ratio	%	73.1	60.6	87.7	36.3	37.1
Number of employees [Average number of temporary employees]	Number of people	2,494 [74]	2,496 [76]	2,486 [74]	2,454 [82]	2,492 [85]
Total shareholder return	%	113.5	129.3	164.1	186.9	215.0

[Index: TOPIX including dividends]	%	[90.5]	[128.6]	[131.2]	[138.8]	[196.2]
Highest stock price	Yen	5,705 □2,908	3,018	3,671	4,128	4,427 □192.9
Lowest stock price	Yen	4,528 □2,153	2,127	2,754	3,535	3,914 □157.6

- Notes: 1. Diluted net income per share is not listed as there are no applicable dilutive stock.
2. Net assets per share is calculated on the basis of the number of shares outstanding at the end of the fiscal year, excluding treasury stock, and earnings per share is calculated on the basis of the average number of outstanding shares during the fiscal year, excluding treasury stock. In addition, beginning with the 37th business term, NTT has adopted a BIP (Board Incentive Plan) trust stock compensation system for Members of the Board and Executive Officers. As a result, in calculating NTT shareholders' equity per share and Basic earnings per share attributable to NTT, shares held by such trust are included in the amount of treasury stock to be deducted from the calculation.
3. NTT conducted a two-for-one stock split of its common stock with an effective date of January 1, 2020 and a 25-for-1 stock split of its common stock with an effective date of July 1, 2023. The figures for Net assets per share and Earnings per share for each fiscal year and for Dividends per share and Interim dividend per share for the 35th business term have been adjusted to reflect the impact of these stock splits.
4. Number of employees indicates the number of full-time employees as of March 31 of each of the years indicated. The average annual number of temporary employees for the fiscal years indicated is shown in brackets.
5. The highest and lowest stock prices for dates on or prior to April 3, 2022 represent quoted prices on the First Section of the Tokyo Stock Exchange, while those on or after April 4, 2022 represent quoted prices on the Prime Market of the Tokyo Stock Exchange.
6. The top-line highest and lowest stock prices for the 35th business term are from before the ex-date for the January 1, 2020 stock split, the top-line highest and lowest stock prices for the 39th business term are from before the ex-date for the July 1, 2023 stock split, and the highest and lowest stock prices marked with a "□" symbol are from after the ex-dates for the applicable stock split.
7. Previously, amounts had been presented rounded down to the nearest million yen but beginning with the 36th business term, amounts are being presented rounded to the nearest million yen. In line with this change, figures for the 35th business term have been restated to reflect the new rounding system.

## Key Management Indicators, Etc. Relating to the Target Company

### Key Management Indicators, Etc.

#### (1) Consolidated Management Indicators, Etc.

		32nd Business Term	33rd Business Term	34th Business Term	35th Business Term	36th Business Term
		Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2024
Net sales	Millions of yen	2,266,808	2,318,658	2,551,906	3,490,182	4,367,387
Operating profit	Millions of yen	130,937	139,173	212,590	259,110	309,551
Profit before tax	Millions of yen	120,155	130,452	215,849	242,800	248,602
Profit attributable to shareholders of the Target Company	Millions of yen	75,148	76,843	142,979	149,962	133,869
Comprehensive income attributable to shareholders of the Target Company	Millions of yen	44,140	165,129	227,773	222,223	300,899
Equity attributable to shareholders of the Target Company	Millions of yen	939,683	1,072,899	1,270,874	1,452,367	1,719,204
Total assets	Millions of yen	2,686,008	2,897,015	3,084,513	6,158,194	7,219,429
Equity attributable to shareholders of the Target Company per share	Yen	670.01	764.99	906.22	1,035.93	1,226.23
Net income per share	Yen	53.58	54.79	101.95	106.95	95.48
Net income per share (diluted)	Yen	—	—	—	—	—
Equity ratio attributable to shareholders of the Target Company	%	35.0	37.0	41.2	23.6	23.8
ROE	%	8.1	7.6	12.2	11.0	8.4
Price-earnings ratio	Multiple	19.4	31.3	23.7	16.2	25.4
Cash flows from operating activities	Millions of yen	280,029	352,492	310,404	350,568	498,789

Cash flows from investing activities	Millions of yen	(257,240)	(173,893)	(196,487)	(322,281)	(624,508)
Cash flows from financing activities	Millions of yen	(66,081)	(101,618)	(166,513)	135,659	109,166
Cash and cash equivalents at end of period	Millions of yen	205,356	287,058	246,941	415,359	431,774
Number of employees	Number of people	133,196	139,677	151,991	195,106	193,513
[Average number of temporary employees]		[3,268]	[3,404]	[3,540]	[7,561]	[11,409]

- Notes: 1. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (“IFRS”).
2. Net income per share (diluted) is not shown because there are no potential shares with dilutive effects.

## (2) Management Indicators, Etc. of the Target Company

		32nd Business Term	33rd Business Term	34th Business Term	35th Business Term	36th Business Term
		Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2023	Year Ended March 31, 2024
Net sales	Millions of yen	972,422	1,016,897	1,095,466	1,153,230	283,084
Operating revenues	Millions of yen	—	—	—	—	118,214
Recurring profit	Millions of yen	96,351	121,807	121,523	143,796	66,720
Net income	Millions of yen	77,657	92,638	152,051	114,558	60,390
Common stock	Millions of yen	142,520	142,520	142,520	142,520	142,520
Shares outstanding at end of year	Shares	1,402,500,000	1,402,500,000	1,402,500,000	1,402,500,000	1,402,500,000
Net assets	Millions of yen	986,787	1,108,125	1,164,220	1,238,725	1,237,039
Total assets	Millions of yen	2,187,251	2,327,477	2,354,049	2,551,512	1,584,532
Net assets per share	Yen	703.59	790.11	830.17	883.55	882.32
Dividends per share	Yen	18.00	18.00	21.00	22.00	23.00
[Interim dividend per share (included above)]		[9.00]	[9.00]	[9.50]	[10.50]	[11.50]
Earnings per share	Yen	55.37	66.05	108.42	81.70	43.07
Diluted net income per share	Yen	—	—	—	—	—
Capital to asset ratio	%	45.1	47.6	49.5	48.5	78.1
Return on equity	%	8.0	8.8	13.4	9.5	4.9
Price earnings ratio	Multiple	18.9	25.9	22.3	21.2	56.4
Payout ratio	%	32.5	27.3	19.4	26.9	53.4
Number of employees	Number of people	11,515	11,955	12,351	12,714	1,702
[Average number of temporary employees]		[231]	[234]	[284]	[333]	[145]

Total shareholder return	%	86.7	143.2	202.7	148.3	207.2
[Index: TOPIX including dividends]	%	90.5	128.6	131.2	138.8	196.2
Highest stock price	Yen	1,588	1,785	2,577	2,885	2,539
Lowest stock price	Yen	858	939	1,629	1,656	1,686

- Notes: 1. Diluted net income per share is not listed as there is no applicable dilutive stock.
2. The dividend of 21.00 yen per share for the 34th business term includes a special dividend of 2.0 yen per share.
3. The number of employees does not include employees seconded from the Target Company, and includes employees seconded to the Target Company.
4. The highest and lowest stock prices for dates on or prior to April 3, 2022 represent quoted prices on the First Section of the Tokyo Stock Exchange, while those on or after April 4, 2022 represent quoted prices on the Prime Market of the Tokyo Stock Exchange.

The following table shows total shareholder return and a comparative index over the last five years.

