

February 6, 2023

To Whom It May Concern

Company name Iwasaki Electric Co., Ltd.
(Code No. 6924; listed on the Prime Market of the Tokyo Stock Exchange)
Representative Yoshitake Ito
Contact Director, Senior Executive Officer
Masanori Kato
Call 03-5846-9018

Notice concerning Implementation of MBO and Recommendation to Tender

Iwasaki Electric Co., Ltd. (the "Company") hereby announces that it has resolved, at its Board of directors' meeting held today, that it will express an opinion in support of a tender offer for its common shares (the "Company Shares") to be conducted by Cosmo Holdings, Inc. (the "Offeror") as part of a "Management Buyout (MBO)" (Note 1) (the "Tender Offer"), and recommend that the Company's shareholders apply for the Tender Offer, as detailed below.

The resolution of the Board of directors was made on the assumption that the Company Shares are scheduled to be delisted as a result of the Tender Offer and a series of subsequent procedures.

Note 1: "Management Buyout (MBO)" generally means a transaction in which the management of the acquired company invests all or part of the acquisition funds to acquire shares of the acquired company on the premise of continuing the business of the acquired company.

I. Outline of the Offeror

(1)	Name	Cosmo Holdings, Inc.
(2)	Address	1-5-1, Marunouchi, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Kazuhiro Yamada, Representative Director
(4)	Description of business	1. To control and manage the business activities of the relevant company by owning shares of or interests in the same. 2. Any and all businesses incidental to the foregoing.
(5)	Capital stock	JPY 25,000
(6)	Date of incorporation	December 27, 2022

(7)	Major shareholders and shareholding ratio	Lux Holdings, L.P. 100.00%
(8)	Relationship between the Offeror and the Company	
	Shareholding	Not applicable.
	Personnel	Not applicable.
	Trading	Not applicable.
	Applicability as a related party	Not applicable.

II. Tender Offer Price

JPY 4,460 per share of common stock (the “Tender Offer Price”)

III. Details of, and Grounds and Reasons for, the Opinion Regarding the Tender Offer

A. Details of the Opinion

The Company has resolved, at its board of directors’ meeting held today, that it will express an opinion in support of the Tender Offer and recommend that its shareholders apply for the Tender Offer, based on the ground and reasons as described in “B. Grounds and Reasons for the Opinion” below.

The above resolution was made in the manner set out in “5. Unanimous approval by the disinterested directors of the Company and unanimous opinion by its disinterested statutory auditors that they have no objections” of “F. Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest.”

B. Grounds and Reasons for the Opinion

The descriptions concerning the Offeror described in these “B. Grounds and Reasons for opinion” are based on the explanations given by the Offeror.

1. Overview of the Tender Offer

The Offeror is a corporation which was established on December 27, 2022 for the purpose of acquiring the Company Shares through the Tender Offer. As of the date of submission of this document, all of the issued shares of the Offeror are owned by Lux Holdings, L.P. (the “Carlyle Fund”), which is a limited partnership that was established under Cayman Island law on July 8, 2021. The Carlyle Fund is in turn wholly owned and managed by The Carlyle Group (collectively with its affiliates, “Carlyle”). As of the date of submission of this document, none of Carlyle, the Carlyle Fund and the Offeror hold any shares of the Company.

Carlyle is an investment company that operates globally. As of the end of September 2022, it had

approximately US\$369 billion of assets under management, 29 offices in all five continents, and 2,100 employees. It conducts its investment activities via three business segments: “global private equity,” “global credit,” and “global investment solutions.” (Note 2)

Note 2: In particular, the three segments include: (i) “global private equity”, which entails investment activities such as buyout investments (including privatizations of listed companies), growth capital (providing growth capital to start-ups), and strategic minority investments (minority equity investments), as well as real asset investments (such as investments in real estate and energy); (ii) “global credit”, which primarily invests in bonds, including mortgage-backed securities, mezzanine debt, etc.; and (iii) “global investment solutions”, which invests in private equity funds.

Of these segments, the “global private equity” segment has made a total of 750 corporate private equity investments in corporate entities since its inception in 1987 through the end of September 2022. Since it began investing in Japan in 2000, it has made a total of 37 investments in companies, including Tsubaki Nakashima Co., Ltd., Nihon Medical Administration Center Co., Ltd. (currently Solasto Corporation), Simplex Holdings, ARUHI Corporation, Hitachi Metals Techno, Ltd. (currently Senqcia Corporation), WingArc1st, Inc., Orion Breweries, Ltd., Rigaku Corporation and AOI TYO Holdings, Inc. Carlyle’s “global credit” segment has US\$141.4 billion of assets under management, and its “global investment solutions” segment has US\$63.0 billion of assets under management (all asset-under-management figures are as of the end of September 2022).

On February 6, 2023, the Offeror decided that it will commence the Tender Offer on February 7, 2023 as part of the transactions (the “Transactions”) that aim to take the Company private by acquiring all of the shares of the Company (excluding treasury shares held by the Company (excluding shares held by Custody Bank of Japan, Ltd. (Trust E) (“Custody Bank of Japan”) as trust assets for the Company’s Board Benefit Trust (the “BBT-Owned Shares”); the same applies hereinafter to references to treasury shares held by the Company)) that are listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”). The Offeror does not plan to acquire the BBT-Owned Shares via the Tender Offer.

The Transactions, including the Tender Offer, constitute a management buyout (“MBO”). Mr. Yoshitake Ito, who is the president of the Company (“Mr. Yoshitake Ito”; number of shares owned: 37,022 shares(Note 3); ownership ratio(Note 4): 0.50%), will continue to play a role in the management of the Company as its President following the Transactions. Pursuant to an agreement (the “Agreement”) entered into by and between Mr. Yoshitake Ito and the Carlyle Fund on February 6, 2023, the parties agreed that Mr. Yoshitake Ito will (i) tender the 14,100 shares of the Company that he directly owns in the Tender Offer and (ii) upon completion of the Transactions, make a capital contribution (the “Capital Contribution”) to the Offeror, which contribution will be effected by means of subscribing to newly

issued shares of the Offeror via a third-party allotment or other means. Additionally, as of the date of this Statement, the amount of the Capital Contribution will be up to JPY 165,118,120 (which amount equals the number of shares held by Mr. Yoshitake Ito (37,022 shares) multiplied by the per-share purchase price of the Company Shares in connection with the Tender Offer). Following the Capital Contribution, Mr. Yoshitake Ito will own less than 2% of the voting rights of the Offeror. For details regarding the Agreement, please refer to “IV Matters Relating to Important Agreements Concerning the Tender Offer” below. Further, the Offeror has confirmed that, pursuant to the regulations on the payment of stock to officers (paid upon retirement) of the Company’s Board Benefit Trust (the “Officer Stock Payment Regulations”), Mr. Yoshitake Ito cannot receive the Company Shares (22,200 shares) that are convertible based on the points he holds pursuant to such regulations until he resigns as an officer of the Company and, given that Mr. Yoshitake Ito has no plans to resign, he does not intend to tender such shares in connection with the Tender Offer. The Offeror has also confirmed that Mr. Yoshitake Ito has no plans to pull the Company Shares (722 shares) that he indirectly owns via an equity interest in a directors shareholding association of the Company out of such association to tender them in connection with the Tender Offer.

Note 3: Mr. Yoshitake Ito has points under the Officer Stock Payment Regulations that are convertible into 22,200 shares of the Company. Further, Mr. Yoshitake Ito indirectly owns 722 shares (rounded down) of the Company via an equity interest in a directors shareholding association of the Company. The 37,022 shares owned by Mr. Yoshitake Ito as described above include 22,200 shares of the Company based on the conversion of the points held by Mr. Yoshitake Ito pursuant to the Officer Stock Payment Regulations as well as 722 shares that Mr. Yoshitake Ito indirectly owns via an equity interest in a directors shareholding association of the Company.

Note 4: “Ownership Ratio” refers to the percentage of 7,416,041 shares, which is the total number of issued shares of the Company as of December 31, 2022 (7,821,950 shares) as stated in the Company’s “Summary Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 {Japanese GAAP} (On a Consolidated Basis)” publicly announced on February 6, 2023 (the “Company Summary Financial Statement”) less the number of treasury shares held by the Company as of the same date (405,909 shares, which do not include 64,650 shares of BBT-Owned Shares; the same applies below to treasury shares of the Company). The same applies to hereinafter.

The Offeror has set 4,900,900 shares (ownership ratio: 66.09%) as the minimum number of shares to be purchased in connection with the Tender Offer. If the number of Share Certificates, Etc. tendered in connection with the Tender Offer (“Tendered Shares Certificates, Etc.”) does not meet this minimum threshold, then the Offeror will not purchase any of the Tendered Share Certificates, Etc. The minimum purchase number will be the total number of voting rights (73,513 units) associated with the difference

(7,351,391 shares) of the total number of issued shares as of December 31, 2022 stated in the Company Summary Financial Statement (7,821,950 shares) less of number of treasury shares owned by the Company (405,909 shares) and the number of BBT-Owned Shares (64,650 shares), multiplied by two thirds (49,009 units) (rounded up), further multiplied by the number of shares (100 shares) in one trading unit of the Company (4,900,900 shares). A minimum number of shares to be purchased has been set because the Offeror plans to take the Company private, and if the Offeror cannot obtain all of the Company Shares (other than the treasury shares owned by the Company), then, as stated under “E. Policy of Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)” below, the Offeror will need to go through certain procedures to become the sole shareholder of the Company (the “Squeeze-Out Procedures”); in order to undergo reverse share split, special approval at shareholder meeting is required pursuant to Article 309(2) of the Companies Act, and so a minimum threshold was set so that the Offeror will hold two-thirds of the voting rights (excluding the voting rights associated with BBT-Owned Shares) of the Company following the Tender Offer and thereby ensure that the Transactions are achieved. With respect to the BBT-Owned Shares, (i) it is not anticipated that the BBT-Owned Shares will be tendered in connection with the Tender Offer because the Board Benefit Trust Agreement (the “BBT Agreement”) entered into by and between the Company, which is the settlor of the Board Benefit Trust, and Mizuho Trust & Banking Co., Ltd. (“Mizuho Trust & Banking”), the trust administrator and trustee, provides that the trustee will not give instructions to tender shares in tender offers like the Tender Offer where the Company’s Board of Directors has expressed its opinion to endorse the tender offer; and (ii) pursuant to the BBT Agreement, the trustee is not permitted to exercise any voting rights associated with the Company Shares that are trust assets based on directions of the trust administrator. In other words, with respect to (i), under the BBT Agreement, if a party other than the Company announces that it is going to conduct a tender offer (other than a tender offer premised on maintaining the listing of the Company Shares), and the Company’s Board of Directors expresses its opposition to such tender offer, and such opinion has not changed at the time that it issues its instructions, and also if (a) a special committee established by the Company or other advisory body established by the Company that is composed of outside directors, outside corporate auditors or other experts (limited only to those that have been authorized by the Company to express an opinion regarding such tender offer) or (b) a majority of the persons for which a filing has been made with a financial instruments exchange pertaining to their status as an independent director expresses its opinion to endorse such tender offer, and such opinion has not changed at the time that it issues its instructions, then the trust administrator will give instructions to tender the entrusted Company Shares in such tender offer. As stated in “2. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy” of “B. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy” below, the Company respects the substance of the Report (as defined in “3. Decision-Making Process

behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor" of "B. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer Post-Tender Offer Managerial Policy" below) submitted by the Special Committee (as defined in "3. Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor" of "B. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy" below) to the greatest extent. Accordingly, the Offeror does not anticipate a situation arising where the Company opposes the Tender Offer but the Special Committee, which is composed of a majority of the Company's independent directors, endorses the Tender Offer. Further, with respect to (ii), (a) under the Officer Stock Payment Regulations, upon the retirement of any officer of the Company that has points based on the Officer Stock Payment Regulations, the retiring officer will be given Company Shares by the last date of the month immediately following the month in which the retirement occurred, but the Company has confirmed that none of the directors who currently hold points (of which there are only 5 directors of the Company, including Mr. Yoshitake Ito; the "BBT Directors") plan to retire prior to the record date (which is expected to be March 31, 2023) of the Extraordinary Shareholders' Meeting (as defined in "2. Reverse Share Split" of "E. Policy of Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)" below) and so it is not anticipated that the BBT-Owned Shares will be given to the BBT Directors (i.e., it is not anticipated that the BBT Directors would be able to exercise voting rights of such shares at the Extraordinary Shareholders' Meeting); and (b) although there is a theoretical possibility that the trust administrator could give instructions that violate the BBT Agreement, it is unrealistic to think that the trust administrator would give instructions that violate the agreement to exercise the voting rights; and (c) If for some reason Mizuho Trust & Banking, the trustee, and Custody Bank of Japan, the secondary trustee, exercise the voting rights in violation of the BBT Agreement, Although such exercise would be deemed valid from the perspective of the Companies Act, it is unrealistic to think that Mizuho Trust & Banking, the trustee, and Custody Bank of Japan, the secondary trustee would go out of their way to violate the agreement to exercise the voting rights, and so the Offeror believes that there is no realistic chance that the voting rights pertaining to the BBT-Owned Shares will be exercise at the Extraordinary Shareholders' Meeting. Accordingly, as the trustee is not expected to exercise any voting rights, if the Offeror acquires more than the minimum number of Company Shares to be acquired in connection with the Tender Offer, even if the number of voting rights acquired by the Offeror is less than two-thirds of the total number of voting rights held by all shareholders, the proposal for the reverse share split may be approved solely by the affirmative vote of the Offeror at an Extraordinary Shareholders' Meeting, and thus it is anticipated that the Squeeze-Out Procedures can be carried out with certainty following the completion of the Tender Offer as a result of setting a minimum threshold.

Further, the minimum number of shares to be purchased (4,900,900 shares) will exceed a number of

shares (3,683,107 shares) that is equal to a majority (3,668,285 shares, which is the majority of the Company Shares held by disinterested shareholders of the Company with respect to the Offeror – in other words, an amount equal to the “majority of the minority”) of a number of shares (7,336,569 shares) that is equal to the difference of the total number of Company Shares issued as of December 31, 2022 pursuant to the Company’s Press Release (7,821,950 shares) less the number of treasury shares owned by the Company (405,909 shares), the number of BBT-Owned Shares (64,650 shares), the number of Company Shares directly held by Mr. Yoshitake Ito (14,100 shares) and the number of Company Shares (722 shares) indirectly held via an equity interest in a directors shareholding association of the Company by Mr. Yoshitake Ito, who plans on making the Capital Contribution, as of the same date, plus the number of Company Shares held directly by Mr. Yoshitake Ito (14,100 shares) and the number of Company Shares held by Mr. Yoshitake Ito indirectly via an equity interest in a directors shareholding association of the Company (722 shares).

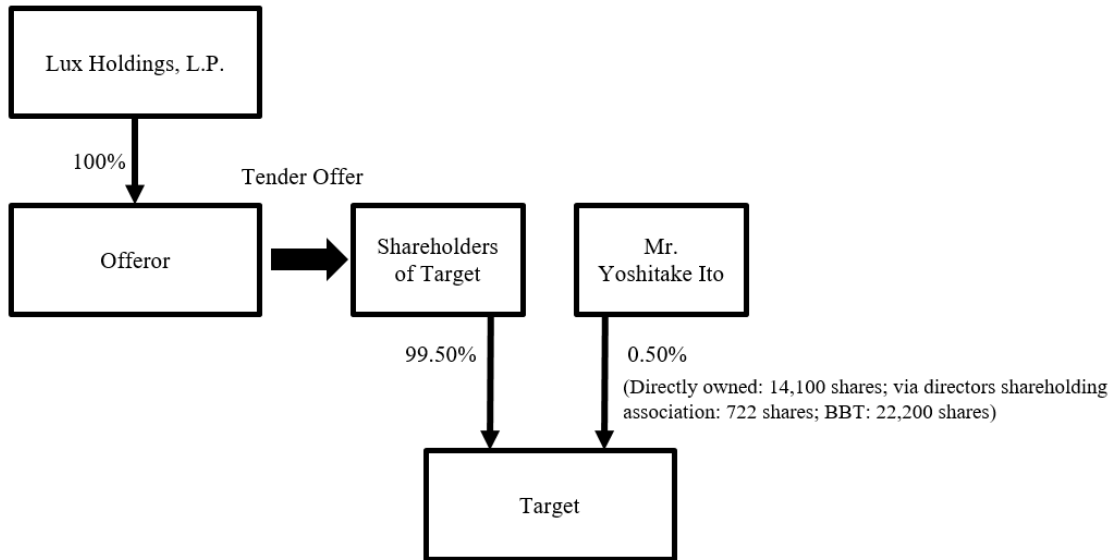
On the other hand, the Offeror intends to take the Company private by acquiring all of the Company Shares in connection with the Tender Offer. Accordingly, it has not set a maximum number of shares to be acquired, and if the total number of Tendered Share Certificates, etc. reaches the minimum number of shares to be acquired (4,900,900 shares), it will purchase all of the Tendered Share Certificates, etc.

In addition, the Offeror plans to merge with the Company after conducting the Squeeze-Out Procedures. (Following the completion of the Tender Offer, the Offeror and the Company will consider whether the merger would impact the permits and licenses held by the Company and analyze and discuss in detail when to conduct the merger, whether the Offeror or the Company will be the surviving company.)

If the Tender Offer is completed, the Offeror will receive a capital contribution of JPY 13 billion from the Carlyle Fund at least 2 business days before the commencement date of the settlement of the Tender Offer and a loan of JPY 20.9 billion from Sumitomo Mitsui Banking Corporation at least one business day before the commencement date of the settlement of the Tender Offer, which funds the Offeror will use to settle the Tender Offer.

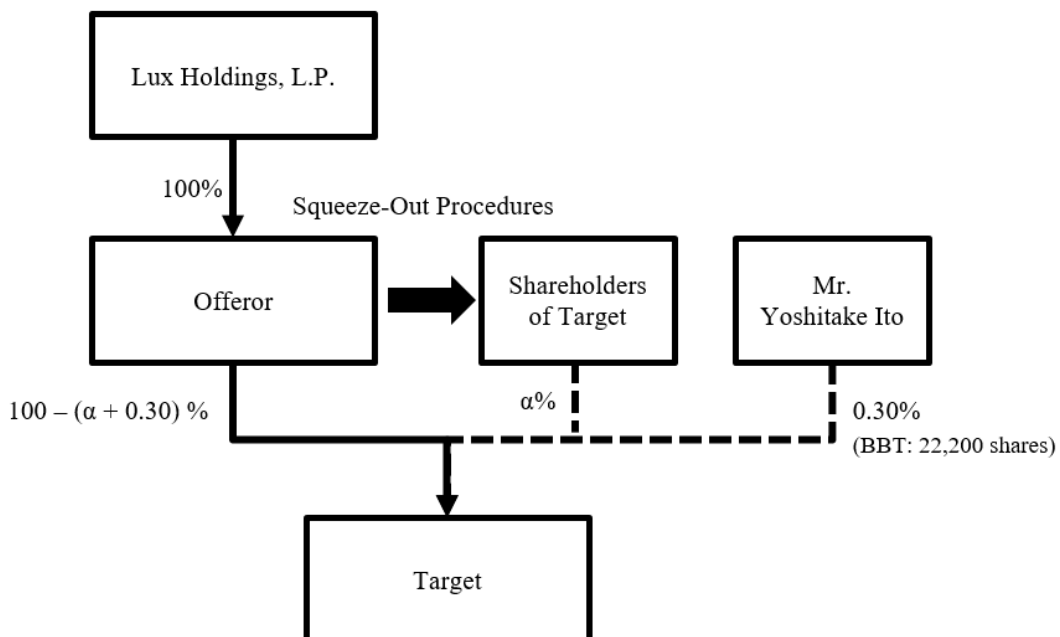
■ Schematic Illustration of the Transactions

1. The Tender Offer

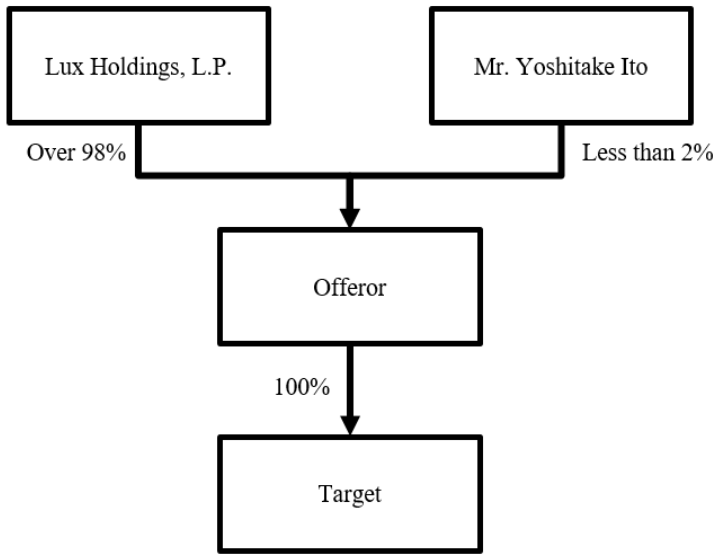


(Note) Based on the provisions of the BBT Agreement, it is not anticipated that the 64,650 shares (0.87%) of BBT-Owned Shares (of which 22,200 shares (0.30%) are owned by Mr. Yoshitake Ito and 42,450 shares (0.57%) are owned by shareholders of the Company other than Mr. Yoshitake Ito) will be tendered in the Tender Offer.

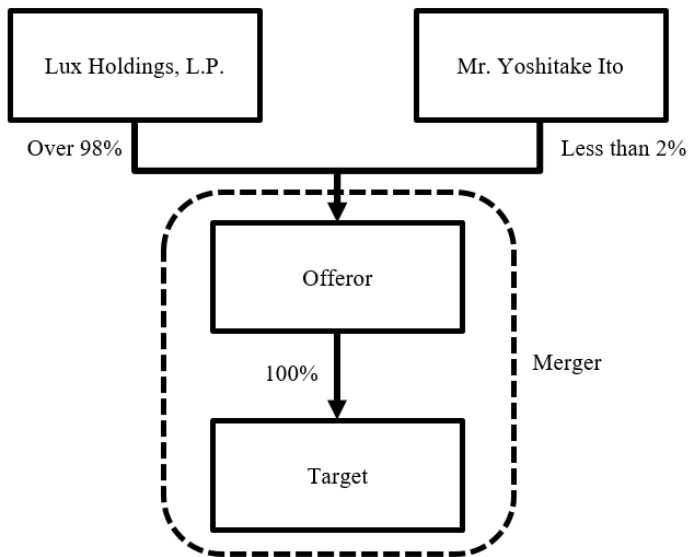
2. The Squeeze-Out Procedures



3. The Capital Contribution



4. The Merger



2. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy

a. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer

The Company group (the Company and its 22 consolidated subsidiaries and 7 affiliates; the same applies hereinafter) manufactures and sells various light sources, consisting primarily of lighting lamps, as well as electrical equipment such as optical and environmental devices.

The Company was established in August 1944 as Iwasaki Radio Engineering Co., Ltd. and then changed its name to Iwasaki Electric Co., Ltd. in September 1945. Since developing Japan's first incandescent reflector bulb in March 1949, it has reportedly manufactured and sold many types of lighting equipment. In October 1961, the Company became listed on the Second Section of the Tokyo Stock Exchange, and in November of that same year it became listed on the Second Section of the Osaka Stock Exchange. In August 1970, the listings were changed to the First Section of the Tokyo Stock Exchange and the First Section of the Osaka Stock Exchange (the listing on the Osaka Stock Exchange was discontinued in November 2004). Thereafter, the Company has not stopped at just manufacturing and selling on its own, but has also established group companies domestically and abroad as well as acquiring companies on the ground and thereby expanded the business of the Company group. The Company became listed on the Prime Market of the Tokyo Stock Exchange on April 4, 2022 in connection with the market restructuring of the Tokyo Stock Exchange.

At present, with respect to its lighting business, the Company group is actively expanding its services relating to lighting infrastructure that focus on LED lighting, mainly in the areas of facility lighting and industry lighting. The Company group believes that it can create a lighting atmosphere that is both comfortable and enjoyable by combining LED lighting with communication and control systems to improve energy-saving capabilities as well as enhance the quality and atmosphere of the lighting. Further, the Company group thinks that, given that outdoor lighting and facility lighting must satisfy an increasingly diversified set of roles and needs as a result of the many natural disasters that have occurred in recent years, a lighting system that was made with disaster prevention and mitigation in mind can contribute to the infrastructure of society by providing "comfort and safety via lighting" in many different situations even if the unexpected occurs. Additionally, the Company group is striving to increase the appeal in the market of comfortable and convenient smart lighting systems in the areas of facility lighting and industry lighting by doing things such as focusing on the development of a lighting system with a high added value by combining its technology for light distribution control and circuit control as well as related technologies, strengthening its undertakings relating to its ESCO (Note 5) business, and bolstering its expansion into the urban landscape and street markets.

Note 5: ESCO stands for "Energy Service Company," which refers to a type of business that

implements reductions in energy costs and receives expenses necessary for implementing energy-saving renovations from the reduced costs.

Within the Company group's optics and environment business, the Company group provides products, services and maintenance that meet the particularities and needs of each field of business by using various light technologies that the Company group utilizes, such as ultraviolet, infrared and electron beams. In particular, the Company group is (i) developing new products and applications aimed at a broader customer base with respect to its environmental testing business, UV (ultraviolet) curing business and EB (electron beam) curing business and (ii) strengthening its business development via building out lighting technology with respect to its semiconductor manufacturing process business. In addition, in the field of disinfection, the Company Group has confirmed that the ultraviolet light sources installed in "Airlia", its air circulation ultraviolet purifiers, are highly effective at inactivating the novel coronavirus (as per the news releases titled "Our ultraviolet (UV) lamps have been confirmed to be effective at inactivating the novel coronavirus" published by the Company on December 24, 2020 and "Our ultraviolet (UV) lamps have been confirmed to be effective at inactivating mutated strains of the novel coronavirus" published by the Company on December 13, 2021, the Company has conducted joint tests with external research institutions (Hiroshima University Hospital and the graduate school thereof) to confirm the effectiveness thereof). The Company group will continue to speedily develop products that combine such reliable technologies with external technologies as well as contribute to improving the hygienic environment and preventing the spread of infectious diseases.

In addition, in November 2021, the Company group developed a medium-term business plan (the "Company's Business Plan"), the first fiscal year of which is the fiscal year ended March 31, 2022 (and lasting until the fiscal year ending March 31, 2026). In light of the fact that the Company group's production of mercury lamps, which supported the sales and profits of the Company group for many years, ended in December 2020, the period until March 31, 2026 has been set as a period for laying the foundation for the survival and development of the Company group. During this period, the Company group's basic policy is to implement and complete "growth strategies and structural reforms aimed at a corporate renaissance." In light of such plans, the Company group has been implementing new business initiatives in order to achieve the expansion of its business and provide new value to society. In particular, the Company group has strengthened the ESCO-related undertakings of its lighting business, which is its primary business, reinforced its expansion into the urban landscape and street market business, expanded into the total solution business for lighting infrastructure, grown its business relating to the manufacturing process of optical and environmental semiconductors, pushed forward into the disinfection business, and furthered the establishment of a service maintenance business that uses the Company's lighting technology.

The Company group recognizes that with respect to the external environment surrounding its business, on one hand, the global economy is striving to balance novel coronavirus measures against economic activity, but on the other hand, in the United States, business confidence has deteriorated due to continual increases in interest rates to combat inflation; in Europe, economic activity has been negatively affected by rising energy costs due to the prolonged situation in Ukraine; and in China, despite having rescinded its “zero-corona” policy, the overall pace of economic recovery has slowed due to restricted economic activities resulting from cities being under intermittent lockdown. Amid this backdrop, with respect to lighting equipment, which is the main business of the Company group, as a result of the growing interest in high energy-saving performance and the increase in population and expansion of the middle class in developing countries, in the global market, the demand for LED lighting equipment that is more energy-efficient than existing lighting options is increasing. Further, the Company group recognizes that with respect to the domestic economy, although the economy has continued to recover due to the gradual resumption of economic activities that had remained stagnant as a result of the novel coronavirus, there is heightened uncertainty over the economic outlook due to rising energy costs, the prolonged global semiconductor shortage and the rising cost of goods due to the rapid depreciation of the yen. In light of this, with respect to lighting equipment, which is the main business of the Company group in the domestic market, although there is an increased need for LED lighting equipment facilitated by the Japanese government’s Company to replace all existing lighting equipment and achieve 100% adoption of SSL(Note 6) by the year 2030, the overall market recognizes that there is a trend toward continual price reduction and decreasing demand for lighting equipment. Specifically, in the beginning, the market comprised mostly electrothermal and discharge lamps, which were replaced with LEDs with the advancement of technology; however, with the increased adoption of LEDs, the domestic LED market began declining in 2019 due to reduced replacement needs, the long lifespan of LEDs, etc. Thereafter, the market experienced a chilling effect as a result of suppressed corporate spending on facilities due to the restrictions on movement caused by the spread of the novel coronavirus in 2020, and even though demand has been recovering as a result of the relaxation of the restrictions on movement starting from 2021 (press release issued by Yano Institute of Economic Research, Inc., January 11, 2023), against the backdrop of a declining population and other issues on the horizon, the overall market is unlikely to grow and the demand for lighting equipment is expected to decline. Therefore, the Company group recognizes that going forward, it is of great importance whether it can seize replacement needs in a saturated market by differentiating its products from other companies through product R&D and, as a premise to that, how it can actualize advanced, high value-added lighting products. Furthermore, with respect to the optical devices and environmental devices businesses, competition in the UV-LED irradiator market, which is the Company group’s main product, has intensified due to the entry of overseas manufacturers, and in the air purifier market, the Company group faces intense competition from

consumer electronics manufacturers and new manufacturers. Therefore, it is more important than ever to develop products that cater to the needs of consumers and to actively expand into overseas markets as not to be confined by the shrinking domestic market.

Note 6: SSL stands for “Solid State Lighting” and refers to semiconductor lighting such as LED, organic EL, lasers, etc.

In order to achieve medium- to long-term growth as well as increase its enterprise value in the current business environment, the Company understands that it is particularly important for the growth strategy of the Company group to properly allocate resources (i.e., “people, goods and money”) among its lighting business, optics and environment business, and other businesses as well as to (i) proactively make upfront investments in research and development and promote advanced, high-value-added products and services in both the lighting business and optics and environment business, and (ii) expand into foreign markets where the market is expected to grow due to future increases in population and where LED devices have not yet been widely adopted and further expand its overseas business. The Company group has been committed to implementing the measures described in (i) and (ii) above. With respect to the creation of new businesses pertaining to (i), the Company group developed air-circulating ultraviolet purifiers that have been recognized for their sterilizing capabilities within the germicidal field in May 2020 amid the height of the novel coronavirus. With respect to expanding its overseas business in connection with (ii), although some of the Company’s subsidiaries have been on track since the establishment of its U.S. subsidiary in 1987, other makers have entered the germicidal field both domestically and abroad in connection with the creation of new businesses mentioned in (i), and so the Company’s product development is somewhat lacking. Further, the Company realizes the importance of decisively (i) creating new businesses and (ii) expanding its business abroad because, for example, in relation to overseas expansion mentioned in (ii), as stated in the Company’s notice of October 14, 2022 entitled “Notice concerning liquidation of consolidated subsidiary,” the Company decided to liquidate Eye Lighting International of North America, Inc. (“ELINA”), one of its consolidated subsidiary that primarily manufactured and sold luminous tubes and outdoor globes for HID lamps(Note 7), because of business-continuity troubles. As a prerequisite to this, the Company believes that it is necessary to change from a mindset towards work where employees tend to maintain the status quo to a corporate structure (corporate culture) that proactively engages in such new measures. As the Company strives to accelerate the growth of its business, it recognizes that it may be difficult to implement speedy and sufficient reforms to its corporate structure (corporate culture) as well as to carry out the business strategies that are prerequisites thereto with the Company group’s current management resources alone. The Company group further recognizes that it needs to address organizational issues by utilizing external management resources to recruit highly specialized outside personnel, engage in

business alliances, including various types of investments and M&A, and strengthen recruitment, training, and retention of talent that will support future growth of the Company, including the implementation of the initiatives in (i) and (ii) above. Accordingly, since early July 2022, the Company has considered a number of specific options, including privatization, that would bring about growth of the Company group based on the business environment in which the Company is currently situated.

Note 7: HID lamp is a general term for metal halide lamps, high-pressure sodium lamps and mercury lamps that are emit light through the discharge of metal vapors.

Under such circumstances, a financial institution with which the Company had previously transacted in the course of operating its business and which the Company had held discussions to explore more options with respect to finding a new business partner, and with which Carlyle regularly conducts banking transactions, informed Carlyle of the Company and the fact that it was considering business strategies, including capital policies, in late August 2022. On September 2, 2022, Carlyle and the Company had a meeting where they had an opportunity to exchange opinions about the business strategies and measures of the Company group in light of its medium- to long-term forecasts of the business environment as well as the best capital structure for the Company group. Carlyle also received a request from the Company to begin considering business strategies and capital structures of the Company group. In light of the foregoing, on September 7, 2022, Carlyle made an offer to the Company and Mr. Yoshitake Ito to analyze measures that could increase the enterprise value of the Company, including privatization. Carlyle also informed the Company and Mr. Yoshitake Ito that, in order to consider and make a decision with respect to the Transactions, it would like to perform an initial review from the beginning until the end of October 2022, and entered into a non-disclosure agreement with the Company on September 13, 2022. Thereafter, on October 31, 2022, Carlyle completed its initial analysis of the Company's business that it had conducted since October 11, 2022 and explained to the Company its understanding of the Company's business and future business strategies in order for the Company to determine that it was worth it to begin considering the Transactions. Then, on November 28, 2022, in order to start a full-scale review of taking the Company private via an MBO whereby Carlyle would become the sponsor in an effort to contribute to the resolution of business challenges faced by the Company by fully utilizing Carlyle's network and expertise, including its investment experience, Carlyle requested the Company to establish a system to review, negotiate and make a determination with respect to the Transactions independently from Carlyle and Mr. Yoshitake Ito. Carlyle also indicated its desire to perform due diligence from the end of November 2022 until the beginning on January 2023. Consequently, on November 29, 2022, the Company notified Carlyle that it would engage in discussions to proceed with the Transactions. In light of this notice, Carlyle conducted due diligence on the Company from the end

of November 2022 through early January 2023 and had meetings and discussions with the Company's management. Carlyle also began discussing the terms of the Transactions, including the Tender Offer, with Mr. Yoshitake Ito. In order to conduct the aforementioned due diligence, between early September 2022 and early December 2022, Carlyle appointed Nishimura & Asahi as its legal advisor and Nomura Securities Co., Ltd. ("Nomura Securities"), which is also the financial advisor and third-party appraiser of the Company, as its financial and tax advisor.

As Carlyle and Mr. Yoshitake Ito continued discussing the terms of the Transactions, in the beginning of December 2022, Mr. Yoshitake Ito expressed to Carlyle his intention to further consider the Transactions as well as his intention to make a capital contribution to the Offeror in order to clarify that he is in a position to independently and responsibly commit to increasing the enterprise value of the Company. With respect to the intent expressed by Mr. Yoshitake Ito to invest in the Offeror, Carlyle views the Capital Contribution as a strong commitment by Mr. Yoshitake Ito regarding the privatization of the Company and the management of the Company group thereafter. Additionally, Carlyle determined that such commitment is conducive to increasing the enterprise value of the Company after completion of the Transactions from a perspective of maintaining and further developing relationships with the officers and employees, transactional counterparties and stakeholders of the Company group. Carlyle also determined that the privatization of the Company via means of an MBO – in other words, Carlyle taking the Company private via the Offeror based on the request of Mr. Yoshitake Ito and thereafter Mr. Yoshitake Ito making a capital contribution in the Offeror – was sufficiently reasonable. During these discussions, as described under "1. Overview of the Tender Offer" of "B. Grounds and Reasons for opinion" above, the Offeror confirmed that Mr. Yoshitake Ito intends to tender the Company Shares that he directly owns in the Tender Offer; that, pursuant to the Officer Stock Payment Regulations, Mr. Yoshitake Ito cannot receive the Company Shares that are convertible based on the points he holds pursuant to such regulations until he resigns as an officer of the Company and, given that Mr. Yoshitake Ito has no plans to resign, he does not intend to tender such shares in connection with the Tender Offer; and that Mr. Yoshitake Ito has no plans to pull the Company Shares that he indirectly owns via an equity interest in a directors shareholding association of the Company out of such association to tender them in connection with the Tender Offer.

Carlyle thinks that, in order for the Company to realize lasting growth, it is important for the Company to enhance ESCO and CSL (Note 8) within its lighting business and further expand its optics and environment business abroad, and that these initiatives need to be prioritized and implemented speedily. In the lighting business, LED lighting, which has functional advantages such as being compact, long lasting and energy saving, has rapidly become commonplace in recent years, and it has become difficult to distinguish products based on functional value due to commoditization. Carlyle is of the view that, in order for the Company to achieve further growth, the Company must

transform into a lighting solution company that sets it apart from other companies in the same industry by differentiating its product functionality, strengthening its branding, and reducing maintenance costs. In particular, in the field of CSL, which is an area of growth, the Company needs to improve its lighting services through automatic dimming and coloring functions, commit to reducing the amount of electricity consumed by utilizing lighting control systems and, in the medium to long term, strengthen its digital capabilities (organizational capabilities required for companies to promote digitalization) through the creation of high-value lighting services, such as developing and implementing software and applications related to data analytics. However, as it would be difficult for the Company to achieve these improvements by itself, it would need to turn to business alliances or M&A. Carlyle thus believes that it could increase the viability and speed of achieving these goals by utilizing Carlyle's capital strength and wealth of knowledge regarding M&A. Carlyle thinks that, with respect to the optics and environment business, the Company should not stick only to domestic markets, which have matured and are experiencing a declining population, but should instead strengthen its efforts to expand its business into overseas markets. Further, Carlyle believes that the Company must also diversify and strengthen other products, such as power-supply units and lighting devices, not only light sources. Because the Company group has been operating primarily within Japan, it currently does not have sufficient infrastructure and human resources to expand its globally. However, by utilizing Carlyle's global network to the fullest extent, Carlyle believes that the Company is capable of expanding its business globally at an accelerated pace. From a perspective of profitability, the two key issues are reformation of the business structure and sophistication of procurement. In order to quickly resolve these issues, it is crucial to develop sophisticated managerial accounting that is rooted in KPI (Key Performance Indicators) and thorough goal management, improve the transparency of financial conditions of the consolidated Company group, use the privatization of the Company as a sort of "company renaissance" to change the overall company mindset, implement personnel system reforms, and properly allocate human resources and implement structural reforms such as reorganizing factories. In particular, Carlyle believes that the HID lamp and devices business, which is the core business of the Company group and has supported the group as its backbone since its inception, needs to undergo fundamental business reforms because this business significantly impacts the environment and faces difficulties with respect to the procurement of materials. As a result, in order to achieve the foregoing, Carlyle believes it could allow the Company to make upfront investments in each business segment without having to worry about short-term results and thereby increase its enterprise value by taking the Company private and becoming a stable shareholder thereof that will support the Company's transition into the next stage of growth from a mid- to long-term standpoint. Further, Carlyle thinks that it is necessary to take the Company private in order to establish a system that allows decisions to be made in a flexible and quick manner at the Company, implement bold business reforms that contribute to increasing the

Company's enterprise value, support a "company renaissance" via the current directors and officers of the Company, reform the Company's compensation system (including the establishment of an incentive plan) in order to bolster the hiring, training and retention of top talent, and speedily tackle business issues including overall company growth strategies. Based on the understanding described above, Carlyle and the Offeror plan to support the Company in becoming a leading company in the lighting solutions market by using the optics and environment sales from the Company's existing domestic business to pivot into the expansion of ESCO & CSL, the expansion of growth areas through digitalization, and the enhancement of overseas business via focusing on semiconductors in the optics and environment business and, as a result. Carlyle will provide support by fully leveraging its network and experience, including its track record of having made investments both domestically and abroad. As stated in "3. Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor" below, the Company also realizes that Carlyle could contribute to the Company's lasting growth.

Note 8: CSL stands for "Connected Smart Lighting", which refers to initiatives that aim to create new values and businesses via goods and things that go beyond industrial boundaries by using lighting with IoT (the system by which things exchange information by connecting to servers and cloud services via a network) and working with artificial intelligence and big data.

On January 20, 2023, the Offeror, Carlyle and Mr. Yoshitake Ito (collectively, the "Offerors") made an initial offer to the Company for a purchase price of JPY 3,884 (using January 19, 2022, the business day before the proposal, as a reference date, this represents a 69.98% premium (rounded to the second decimal place; the same applies to premium values (%) in relation to share prices hereinafter) as compared to the simple average of the closing prices for the most recent one-month period prior to such date of JPY 2,285 (rounded to the nearest whole number; the same applies to simple averages of closing prices hereinafter), a 60.03% premium as compared to the simple average of the closing prices for the most recent three-month period prior to such date of JPY 2,427, and a 55.24% premium as compared to the simple average of the closing prices for the most recent six-month period prior to such date of JPY 2,502) per one Company Share in connection with Tender Offer (the "Tender Offer Price") in light of discussions and negotiations with the Company, a multifaceted and comprehensive analysis of the Company's business and financial condition based on the results of the due diligence conducted with respect to the Company and market value trends over certain period. In response to this offer, on January 25, 2023, the Company requested the reconsideration of the proposed price, insisting that it was hard to say the proposed price fairly reflected the share value of the Company considering the range of estimated share value calculated by Nomura Securities, the financial advisor and the third-party appraiser of the Company. On

January 27, 2023, the Offerors made a second price proposal to the Company to set the Tender Offer Price at JPY 4,135 (a premium of 79.55% over the simple average closing price of JPY 2,303 for the past one month, 71.43% over the simple average closing price of JPY 2,412 for the past three months, and 66.00% over the simple average closing price of JPY 2,491 for the past six months, using a reference date of January 26, 2023, which is the business day immediately before the proposal). In response to this, on January 30, 2023, the Company requested another reconsideration of the proposed price based on the consolidated financial statements of the Company as of the end of December 2022, insisting that the proposed price did not meet expectations and interests of the shareholders even though the amount had increased from the initial price proposal. On February 1, 2023, the Offerors made a third price proposal to the Company to set the Tender Offer Price at JPY 4,460 (a premium of 92.32% over the simple average closing price of JPY 2,319 for the past one month, 85.76% for the simple average closing price of JPY 2,401 for the past three months, and 79.62% for the simple average closing price of JPY 2,483 for the past six months, using a reference date of January 31, 2023, which is the business day immediately before the proposal). Subsequently, on February 2, 2023, the Company deemed the third proposed Tender Offer Price (JPY 4,460) to meet the expectations of its shareholders and to be in their interest, and thus the Company accepted such proposal.

As a result, on February 6, 2023, the Offerors decided to commence the Tender Offer via the Offeror as part of the Transactions at the Tender Offer Price of JPY 4,460. On the same day, the Offeror entered into the Agreement with Mr. Yoshitake Ito.

b. Post-Tender Offer Managerial Policy

The Transactions constitute an MBO. The Offeror and Mr. Yoshitake Ito, who will continue to work as a member of management of the Company after completion of the Transactions, will implement the managerial initiatives described in “a. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer” above. Upon completion of the Transactions, Mr. Yoshitake Ito will make the Capital Contribution.

The Offeror plans to appoint one or more persons nominated by Carlyle as officers of the Company, which it plans to determine based on discussions with the directors of the Company other than Mr. Yoshitake Ito and in light of the governance system of the Company group at large. However, the specific number of officers, timing, and candidates are yet to be decided. Further, the Offeror has not reached an agreement with any of the Company’s directors other than Mr. Yoshitake Ito, and the Offeror plans to decide the details of the Company’s management system after completion of the Tender Offer based on discussions with the Company.

3. Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the

Reasons Therefor

As described under “a. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer” of “2. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy” above, given that increased demand for lighting in Japan is unlikely, in order for the Company group to achieve medium- to long-term growth, it is imperative to capture the demand of users who need to replace already installed LED devices, which demand is expected to rise in the future, develop advanced, high-value-added products, create other new businesses and further expand its operations overseas. In order to ensure the implementation of these measures, it is essential to build a new human resources and training system, appoint personnel with appropriate knowledge and experience, and have managerial know-how. However, it is not easy to build such a system, recruit and train personnel and expand overseas, and there are limits to how much the Company’s own management can achieve via its own business efforts. Accordingly, based on the belief that it would be beneficial to utilize external managerial resources, the Company began considering new cooperation partners starting from early July 2022. In order to explore more options with respect to business strategies, including capital policies, the Company engaged in discussions with financial institutions with which it has had business relationships from before. Following such discussions, the financial institution that engaged in discussions with the Company referred to the Company candidates who had expressed an interest in proposing a business alliance with the Company. Subsequently, from late August 2022 to early October 2022, in order to ascertain whether there were any purchasers that would agree to potentially more favorable terms, the Company received initial proposals for a business alliance, including via the privatization of the Company, from 7 funds, 5 of which the Company selected based on the Company’s determination that they had a strong track record of investing within Japan, and 2 of which the Company had contacted directly without going through the financial institutions with which the Company had consulted. Then, based on these proposals, the Company carefully confirmed whether, and to what extent, each fund had a rich human resources and strong overseas networks relating to management, financial strategy, marketing, etc.; each fund’s understanding of the Company group’s corporate culture; any advantages each fund might have in terms of effecting a corporate transformation in light of the above; and the number of similar transactions each fund had done in the past. Based on its confirmation, in early October 2022, the Company decided to move forward with two funds as preferred candidates, one of which was Carlyle. During the process of comparing these 2 funds, the Company evaluated not only the direction of their business overseas and the Transactions, but also whether their proposed plans of capital policy were appropriate for growth after the Transactions. As a result, the Company decided to proceed with a full-scale consideration with Carlyle as the final candidate in late November 2022. The Company did not receive any proposals whatsoever for tender offer prices from any of the candidates during the comparative review process. In addition, in order to conduct a full-scale, specific analysis of Carlyle’s

proposal and ensure the fairness of the Transactions, the Company appointed TMI Associates as its legal advisor independent of the Offeror and the Company on November 22, 2022, and on December 6, 2022, it appointed Nomura Securities as its financial advisor and third-party appraiser independent of the Offeror and the Company. Further, on December 5, 2022, in order to allow the Company to carefully make a decision regarding the Transactions, eliminate any arbitrariness and conflicts in the Company's decision-making process, and ensure the fairness thereof, a special committee (the "Special Committee"; please refer to "3. Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor" of "B. Grounds and Reasons for opinion" below for details regarding the composition of the members as well as other specific advisory matters) was established as a framework to consider the Transactions. Based on the authority granted to the Special Committee (please refer to "3. Decision-Making Process behind the Company's Decision to Support the Tender Offer, and the Reasons Therefor" of "B. Grounds and Reasons for opinion" below for details regarding such authority), on December 22, 2022, (i) upon confirming that there were no issues relating to the expertise or independence from the Offerors and the Company, the Company approved the appointment of TMI Associates as its legal advisor and Nomura Securities as its financial advisor and third-party appraiser and (ii) as described in "3. Establishing a Special Committee by the Company and procuring a written report therefrom" and "4. Procuring advice from independent legal advisors by the Company" of "F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer" below, Iwata Godo was appointed as a legal advisor that is independent from the Offerors and the Company, and thus a framework was established to consider and negotiate the Transactions.

Thereafter, relying on negotiation principles, and advice, instructions and requests with respect to crucial negotiation steps that were confirmed in advance by the Special Committee as well as advice from Nomura Securities and TMI Associates, the Company engaged in multiple rounds of discussions and negotiations with the Offerors regarding the pros and cons of the Transactions as well as the terms and conditions of the Transactions.

Further, with respect to the Tender Offer Price, after receiving the Offerors' proposal of a Tender Offer Price of JPY 3,884 on January 20, 2023, with advice from Nomura Securities and taking into account the results of Nomura Securities' trial share price calculation as well as the advice of the Special Committee, on January 25, 2023, the Company requested that the Offerors raise the Tender Offer Price given that it did not believe that the proposed price fairly reflected the Company's share price based on Nomura Securities' trial share calculations of the Company Shares. After multiple rounds of discussions and negotiations with the Offerors regarding the various terms and conditions of the Transactions, the Company received the Offerors' second proposal of a Tender Offer Price of JPY 4,135 on January 27, 2023. Thereafter, the Company once again requested that the Offerors raise the Tender Offer Price as

the Company still did not think that the price met the expectations of its shareholders or was in their interest even though it was higher than the initial price proposal; accordingly, after multiple rounds of discussions and negotiations with the Offerors regarding the various terms and conditions of the Transactions, the Company received a new proposal of a Tender Offer Price of JPY 4,460 on February 1, 2023.

With respect to the proposal, in addition to confirming the adequacy of the proposal with the Special Committee, the Company also carefully considered the proposal after taking into account the share price valuation report prepared by Nomura Securities dated as of February 6, 2023 (the “Valuation Report”). The Company determined that the Tender Offer Price is adequate for the Company’s shareholders and the proposal also offers a reasonable opportunity for the Company’s shareholders to sell their shares given that (i) based on the various per-share calculations of the Company Shares conducted by Nomura Securities as described in “C. Matters regarding Calculation” below, the Tender Offer Price was above the calculated result based on the average stock price analysis and comparable company analysis and within the range calculated by Nomura Securities based on a discounted cash flow analysis (“DCF analysis”); (ii) the Tender Offer Price reflects a premium of 83.39% over the closing price (JPY 2,432) of the Company’s Shares on the Prime Market of the Tokyo Stock Exchange on February 3, 2023, which is the business day immediately preceding the date of the public announcement of the Tender Offer, 91.25% over the simple average of closing prices for the one-month period prior to such date (JPY 2,332), 86.30% over the simple average of closing prices for the three-month period prior to such date (JPY 2,394), and 79.98% over the simple average of closing prices for the six-month period prior to such date (JPY 2,478), and it was not low as compared with 36 MBO transactions with premiums that had occurred during the period from January 2020 through the end of 2022 (using the business day immediately preceding the date of the public announcement as a reference date, the median premiums over the one-month, three-month and six-month simple averages of closing prices were between 39.67% and 48.57%), and it could be said to be a price with a commensurate premium; (iii) as described in “F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below, the recognition that measures have been taken to avoid conflicts of interest and protect the interests of the minority shareholders; and (iv) the Tender Offer Price was determined after the aforementioned measures being taken to eliminate conflicts of interest and following several rounds of discussions and negotiations between the Company and the Offerors – more specifically, the price was determined as a result of continuous good-faith discussions and negotiations that were held in light of the calculations of the per-share price of the Company Shares conducted by Nomura Securities, discussions with the Special Committee and legal advice received from TMI Associates.

In addition, along with necessary legal advice received from TMI Associates regarding the decision-

making methodology and processes of its board of directors and other points of consideration, including the various formalities and procedures relating to the Transactions, the Company also received a report from the Special Committee dated February 6, 2023 (the “Report”) (please refer to “3. Establishing a Special Committee by the Company and procuring a written report therefrom” of “F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below for an overview of the Report and the specific activities of the Special Committee). Furthermore, after taking into account legal advice received from TMI Associates and the Valuation Report prepared by Nomura Securities, and respecting the Special Committee’s findings contained in the Report to the maximum extent possible, the Company carefully deliberated the Transactions from the perspective of whether the Transactions will increase the enterprise value of the Company group and whether the Transactions will be consummated through a fair process as to ensure the interests of the minority shareholders.

As stated in “a. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer” of “2. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy” above, the Company group’s lighting equipment business and optical devices and environmental devices businesses face urgent challenges such as (i) the creation of new business and (ii) the active expansion into overseas markets as well as the improvement of the Company group’s corporate structure (corporate culture) supporting these challenges. As set forth below, the Company group believes that the consummation of the Transactions will allow it to ensure its medium- to long-term competitiveness and increase its enterprise value.

(i) Creation of New Business

With regard to the lighting business, the Company believes that it is necessary to move away from its previous business model, where manufacturing had been the main focus until this point, and to switch to a solution business represented by ESCO, CSL, HCL, etc., in connection with the end of the manufacturing and sales of HID lamps, which have supported the Company group up until now, and circling the demand for LED replacement.

In addition, with regard to the optics and environment business, the Company will strengthen its research and development department, including its disinfectant business and the research and development of multi-functional and high-performance air purifiers, and actively develop products. Further, in the semiconductor-related business, the Company believes that it is necessary to link the requests of semiconductor manufacturers to product development in a timely manner, and also that it is necessary to train and educate human resources and strengthen its research and development department for that purpose.

However, as described above, the Company believes that it would be difficult to speedily achieve

these initiatives by itself at the present, and in addition to M&A and business alliances, it is necessary to conduct various investments in DX, IT, human resource development, research and development, etc. By making the most of Carlyle's capital strength and deep M&A knowledge, as well as its management know-how and network that have been used to make investments in the past, the Company think that it can speedily create new businesses such as both of those described above.

(ii) Expansion of Overseas Business

In the lighting business, which is the Company's main segment, the Company anticipates that after the replacement demand for LED lighting fixtures aimed at achieving the government's targeted SSL rate of 100% has gone through a cycle, although there will likely still be some demand, the domestic market is expected to continue shrinking. In addition, with regard to the optics and environment business, the Company continues to develop business centered on traditional Asian customers, and although the Company thinks that a wide sales network is necessary for stable business operation, it has been unable to achieve this to date. The Company thus believes that the establishment of a sales system and expansion of its customer base overseas for both its lighting business as well as its optics and environment business is essential for increasing the enterprise value of the Company group in the medium to long term, and also that it is necessary to actively gather personnel that would allow it to expand its overseas business. By fully utilizing of Carlyle's global network, the Company believes that, as a result of being able to establish relationships with new customers and other leading business partners, etc., it can accelerate the expansion of its business overseas to the maximum extent possible and use Carlyle's abundant human resources network to acquire talented personnel who are capable of overseas expansion that would otherwise be difficult for the Company to do.

(iii) Reformation of Corporate Structure (Corporate Culture)

The Company believes that it is of the utmost importance to transform its corporate structure (corporate culture) into one that actively seeks to bring about the reforms described in (i) and (ii) above through changing its corporate structure (corporate culture), which tended to maintain the status quo due to past business operational experiences where it had been difficult to make any such changes, and establishing a new system that encourages active challenges and leads to direct benefits for employees such as raises and promotions and as a platform for furthering the foregoing structural reforms. Specifically, the following measures are expected to be implemented which the Company believes will enable it to achieve the foregoing initiatives by making full use of Carlyle's various networks and extensive know-how, as well as its know-how, techniques and experiences relating to the creation of effective incentive plans and the training and coaching of officers and employees, which are supported by its strong track record of increasing the value of its investments.

(a) Reform of the employee education system

- (b) Review of wage system
- (c) Utilization of external personnel and M&A, especially in semiconductor-related businesses and overseas businesses
- (d) Optimization and streamlining of personnel

On the other hand, while it is expected that the enterprise value of the Company group will increase in the medium to long term, the aforementioned initiatives for fundamental reforms will take time to manifest their effects and will not contribute to profits right away. Rather, there are significant business risks that the business will not develop as planned, even if large investments are made in M&A, business alliances, establishing new frameworks, etc., using the cash on hand and borrowing of funds. Further, there is a possibility that the financial condition and earnings of the Company group will deteriorate in the short term. There are concerns that, if the Company remains listed and implements these measures, the capital markets may provide an inadequate valuation, which could detrimentally affect the Company's shareholders by causing a short-term drop in the price of the Company Shares. In order to overcome such concerns and aim for future growth, the Company decided that it is essential to build a management system that would enable agile and drastic decision making from a medium- to long-term perspective without being overly constrained by short-term business performance fluctuations through privatization, and to promote business reform through the unification of the Company's management team and employees with the cooperation of Carlyle.

Furthermore, if the Company is taken private, it would become unable to raise funds through equity financing via the capital markets, and it is possible that the Company's ability to recruit top talent and expand its business partners as a result of the social trust and visibility enjoyed by the Company as a listed company would be impacted. However, based on the current financial condition of the Company, it is not expected that large-scale fundraising via the use of equity financing will be necessary for the next few years. In addition, given that the Company's ability to recruit top talent and expand its business partners as a result of the social trust and visibility is partially derived from its business activities, and also given that the anticipated impact of privatization on the Company's ability to recruit talent will likely be insignificant as a result of the brand strength and visibility that the Company has cultivated heretofore, the Company views the demerits of privatization as being limited in nature and has determined the merits of privatization to outweigh any such demerits.

The Company's Board of Directors determined that the Tender Offer Price (JPY 4,460) and the various terms and conditions of the Tender Offer are adequate to the Company's shareholders and that the Tender Offer provides each of the Company's shareholders with a reasonable opportunity to sell their shares. This decision was based on the fact that (i) based on the various per-share calculations of the Company Shares conducted by Nomura Securities as described in "C. Procuring a share valuation Report from an independent third-party appraiser by the Company" below, the

Tender Offer Price was above the calculated result based on the average stock price analysis and comparable company analysis and within the range calculated by Nomura Securities based on the DCF Analysis and with respect to the ELINA Liquidation (as defined in “3. Establishment of Independent Special Committee by the Company and Acquisition of Report from Said Special Committee” of “F. Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest”) and the Downward Adjustment (as defined in “3. Establishment of Independent Special Committee by the Company and Acquisition of Report from Said Special Committee” of “F. Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest”), there were no facts that would call into question the fairness of the procedures in particular, and the Company has deemed the calculated results of the share price of the Company Shares are not unreasonable and that the calculated result is not unreasonable; (ii) the Tender Offer Price reflects a premium of 83.39% over the closing price (JPY 2,432) of the Company’s Shares on the Prime Market of the Tokyo Stock Exchange on February 3, 2023, which is the business day immediately preceding the date of the public announcement of the Tender Offer, 91.25% over the simple average of closing prices for the one-month period prior to such date (JPY 2,332), 86.30% over the simple average of closing prices for the three-month period prior to such date (JPY 2,394), and 79.98% over the simple average of closing prices for the six-month period prior to such date (JPY 2,478), and it was not low as compared with 36 MBO transactions with premiums that had occurred during the period from January 2020 through the end of 2022 (using the business day immediately preceding the date of the public announcement as a reference date, the median premiums over the one-month, three-month and six-month simple averages of closing prices were between 39.67% and 48.57%), and it could be said to be a price with a commensurate premium; (iii) as described in “F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below, the recognition that measures have been taken to avoid conflicts of interest and protect the interests of the minority shareholders; and (iv) the Tender Offer Price was determined after the aforementioned measures being taken to eliminate conflicts of interest and following several rounds of discussions and negotiations between the Company and the Offerors – more specifically, the price was determined as a result of continuous good-faith discussions and negotiations that were held in light of the calculations of the per-share price of the Company Shares conducted by Nomura Securities, discussions with the Special Committee and legal advice received from TMI Associates. Based on the above, at the meeting of the Company’s Board of Directors held on February 6, 2023, the directors of the who participated in the deliberations and voted (7 of the 8 directors, excluding Mr. Yoshitake Ito) unanimously resolved to express the Board of Director’s opinion to endorse the Tender Offer and to recommend that all of the shareholders of the Company

tender their shares in the Tender Offer. Furthermore, the aforementioned meeting of the Board of Directors was attended by all 5 auditors of the Company, and the auditors who attended all expressed their opinion that they had no objection to the above resolution.

For details relating to the decision-making process of the relevant board of directors, please refer to “5. Unanimous approval by the disinterested directors of the Company and unanimous opinion by its disinterested statutory auditors that they have no objections” of “F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer” below for an overview of the Report and the specific activities of the Special Committee) below.

C. Matters Regarding Calculation

1. Name of a third-party valuation organization and Relationship with the Company and the Offeror

The Company requested Nomura Securities, as a financial advisor and third-party appraiser independent from the Company and the Offerors, to calculate the share value of the Company Shares and consequently obtained the share valuation on February 6, 2023. The Company has not obtained any opinion (fairness opinion) from Nomura Securities regarding the fairness of the Tender Offer Price. Also, Nomura Securities does not fall under a related party of the Company or the Offeror, and does not have any important interest to be disclosed in relation to the Transactions, including the Tender Offer. The remuneration for Nomura Securities pertaining to the Transactions includes the contingency fee paid upon the satisfaction of certain conditions, such as the completion of the Transactions. The Company has appointed Nomura Securities as its financial advisor and third-party appraiser based on the remuneration system described above by determining that their independence cannot be denied simply because they will be paid a contingency fee that is conditioned on the completion of the Tender Offer, taking into account the general practice in the same type of transactions and the appropriateness of a remuneration system where the Company will incur a financial burden even if the Transactions are not completed.

2. Outline of Calculation

As a result of examining the calculation method in the Tender Offer and based on the premise that the Company is a going concern, in light of the belief that it is appropriate to value of the Company Shares on a multi-faceted basis, and in order to calculate the share value of the Company Shares, Nomura Securities used the average stock price analysis because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, used the comparable company valuation analysis because there were comparable similar listed companies and it was possible to infer the share value from comparing similar listed companies, and used the DCF Analysis to reflect the future business activities in the calculation.

According to Nomura Securities, the following is the methods that were adopted in calculating the share value of the Company Shares and the ranges of per-share values of the Company Shares calculated by such methods.

Average Stock Price Analysis	JPY 2,332~JPY 2,478
Comparable Company Analysis	JPY 965~JPY 2,479
DCF Analysis	JPY 3,296~JPY 9,350

Based on the average stock price analysis, the range of the per-share value of the Company Shares was calculated to be JPY 2,332 to JPY 2,478, which calculation used a reference date of February 3, 2023 and a closing price as of such date on the Prime Market of the Tokyo Stock Exchange of JPY 2,432, a simple average closing price for the last five business days of JPY 2,400, a simple average closing price for the last one month of JPY 2,332, a simple average closing price for the last three months of JPY 2,394, and a simple average closing price for the last six months of JPY 2,478.

Under the comparable company analysis, the share value of the Company Shares is calculated by selecting ENDO Lighting Corporation and SEIWA ELECTRIC MFG. CO.,LTD. as comparable listed companies that are deemed to be similar to the manufacturing and sales business of lighting equipment, which is Company's main business, and using the operating profit ratio for the enterprise value, the multiple (the "EBITDA multiple") of operating profit before amortization (the "EBITDA"), and the multiple of net income and the equity capital against market capitalization. As a result, the range of the share value per share of the Company Shares was calculated to be JPY 965 to JPY 2,479.

Under the DCF Analysis, taking into account reasonable assumptions such as revenue forecasts and investment plans based on the business plan prepared by the Company for six fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2028, the share value of the Company Shares was analyzed by evaluating the enterprise value based on the free cash flow expected to be generated by the Company in the fourth quarter of the fiscal year ending March 31, 2023 and onwards, discounting it to the present value at a certain rate reflecting the business risk, and by making certain financial adjustments such as adding cash equivalents and the like held by the Company. As a result, the range of the per-share value was calculated to be JPY 3,296 to JPY 9,350. The share value of the Company Shares was calculated on the premise that the discount rate (weighted average cost of capital) is 5.25% to 5.75%, the perpetual growth rate model and multiple model are used to calculate the terminal value, the perpetual growth rate is -0.25% to 0.25%, and the EBITDA multiple is 2.0x to 3.0x. The business plan has been prepared by a related party of the Company independent from the Offeror, and the neither the Offeror nor Mr. Yoshitake Ito have been involved in the process of preparation thereof. The Special Committee received an explanation about the details of draft business plans and important prerequisites relating to the Company's preparation of the business plan for the Transactions, and it approved such business plan, important prerequisites and the background the

preparation after confirming their rationality.

The specific figures for the Company's financial forecast, which Nomura Securities assumed in the calculation in the DCF Analysis, are as follows. There are fiscal years for which a significant increase or decrease of profit is expected. Specifically, in the fiscal year ending March 31, 2026, a reduction of selling, general and administrative expenses due to the implementation of a structural reform is planned for the fiscal year ending March 31, 2025, and an expansion of new business in the optics and environment business are also expected. As a result, a significant increase of operating profit and free cash flow as compared to the preceding fiscal year is expected. The synergies expected to be realized through the implementation of the Transactions are not considered in the financial forecast, since it is difficult to estimate in detail at this point. (Note 9)

Note 9: According to Nomura Securities, it in principle adopts information that is provided by the Company, publicly disclosed, etc. in calculating the share value, and assumes that all such materials, information, etc. adopted by it are accurate and complete, and it has not independently verified their accuracy and completeness. Additionally, Nomura Securities has not independently evaluated, appraised or assessed assets or liabilities of the Company (including off-the-book assets and liabilities and any other contingent liabilities), and it has not requested third-party organizations to evaluate, appraise or assess the same. Further, Nomura Securities assumes that financial forecasts submitted by the Company (including profit plans and other information) have been prepared in a reasonable manner based on the best forecasts and judgments obtained at the time of the provision of the information by the management of the Company.

(Units: millions of JPY)

	Fiscal Year Ending March 31, 2023 (Note 10)	Fiscal Year Ending March 31, 2024	Fiscal Year Ending March 31, 2025
Net Sales	16,727	56,594	60,019
Operating Profit	966	1,955	2,352
EBITDA	1,328	3,093	3,683
Free Cash Flow	6,972	1,163	-260

	Fiscal Year Ending March 31, 2026	Fiscal Year Ending March 31, 2027	Fiscal Year Ending March 31, 2028
Net Sales	61,400	61,465	62,205
Operating Profit	3,970	3,970	3,995

Profit			
EBITDA	5,666	5,620	5,595
Free Cash Flow	3,488	3,787	3,545

Note 10: The figures for the fiscal year ending March 31, 2023 are for the period from January 1, 2023 until March 31, 2023 following the end of the fourth accounting quarter of the same fiscal year.

D. Prospects for Delisting and Reasons Therefor

The Company Shares are currently listed on the Prime Market of the Tokyo Stock Exchange as of the submission of this document. However, since the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria, depending on the results of the Tender Offer. Also, if the Tender Offer is completed, even in the case that the delisting criteria are not met upon completion of the Tender Offer, the Offeror intends to carry out the Squeeze-Out Procedures described in “E. Policy for Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)” above, in which case the Company Shares will be delisted through the prescribed procedures in accordance with the Tokyo Stock Exchange’s delisting criteria. If the Company Shares are delisted, they will no longer be traded on the Prime Market of the Tokyo Stock Exchange.

E. Policy of Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)

As described in “1. Overview of the Tender Offer” of “B. Grounds and Reasons for opinion” above, in the event that the Offeror is unable to acquire all of the Company Shares in the Tender Offer (other than treasury shares held by the Company), the Offeror plans to implement the Squeeze-Out Procedures described below after the completion of the Tender Offer. If it is determined that the Squeeze-Out Procedures will be carried out, it is anticipated that, pursuant to the provisions of the BBT Agreement, the BBT-Owned Shares would either be (i) acquired by the Company without compensation due to the fact that it was determined that the Company Shares will be delisted, (ii) sold by the trust administrator or (iii) cashed out via the Squeeze-Out Procedures. However, the method of disposing of the BBT-Owned Shares will ultimately be determined upon consultations between the Company, which is the settlor, as well as the trust administrator and trustee.

1. Share Sale Demand

If, as a result of the completion of the Tender Offer, the total number of voting rights in the Company held by the Offeror becomes 90% or more of the number of the voting rights of all shareholders of the Company, and the Offeror becomes a special controlling shareholder as provided for in Article 179, Paragraph (1) of the Companies Act, the Offeror intends to, promptly after the completion of the

settlement of the Tender Offer, demand that all of the shareholders of the Company (excluding the Offeror and the Company; the same applies below in this section E.) sell all of the Company Shares they hold (the “Share Sale Demand”) in accordance with the provisions of Section 4-2 of Chapter II of Part II of the Companies Act. In the case of Share Sale Demand, the Offeror intends to determine that it will deliver to each shareholder of the Company the amount of cash equal to the Per Share Tender Offer Price as consideration for one Company Share. In this case, the Offeror will notify the Company to that effect and request the Company to approve the Share Sale Demand. If the Company approves the Share Sale Demand by a resolution of the Board of Directors of the Company, the Offeror will acquire from all of the shareholders of the Company all of the Company Shares owned by them on the acquisition date specified in the Share Sale Demand, in accordance with the procedures prescribed in the relevant laws and regulations without any individual approval of the shareholders of the Company. According to the Company’s Press Release, if the Company receives from the Offeror a notice regarding the fact that the Offeror intends to make the Share Sale Demand and regarding a matter set out in any item of Article 179-2, Paragraph (1) of the Companies Act, it will approve the Share Sale Demand at a meeting of the Board of Directors of the Company.

If a Share Sale Demand is made, then the shareholders of the Company may, in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations, file a petition with a court for a determination of the sale price for their Company Shares. If such petition is filed, the sale price will be finally determined by the court.

2. Reverse Share Split

If, after the completion of the Tender Offer, the total number of voting rights pertaining to the Company Shares held by the Offeror is less than 90% of the number of the voting rights of all shareholders of the Company, the Offeror will, pursuant to Article 180 of the Companies Act, request the Company to hold an extraordinary shareholders’ meeting of the Company promptly after the settlement of the Tender Offer at which proposals for a reverse share split with respect to the Company Shares (the “Reverse Share Split”) and an amendment to the Company’s Articles of Incorporation that would abolish the share unit number provisions on the condition that the Reverse Share Split becomes effective will be submitted (the “Extraordinary Shareholders’ Meeting”). The Offeror believes that, from a standpoint of increasing the enterprise value of the Company, it is desirable to hold the Extraordinary Shareholders’ Meeting as early as possible; so that the reference date for the Extraordinary Shareholders’ Meeting will be around the start of the settlement of the Tender Offer, the Offeror will request the Company to publicly announce the reference date during the Tender Offer period, with the Extraordinary Shareholders’ Meeting to be held sometime in mid-May 2023. According to the Company’s Press Release, in the event that the Offeror makes such a request, the Company intends to comply with such request.

If the proposal for the Reverse Share Split is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will, on the effective date of the Reverse Share Split, hold the number of Company Shares proportionate to the ratio of the Reverse Share Split that is approved at the Extraordinary Shareholders' Meeting. If, due to the Reverse Share Split, the number is a fraction less than one, each shareholder of the Company who holds such fractional shares will receive an amount of cash obtained by selling the Company Shares equivalent to the total number of fractional shares less than one share (with such aggregate sum rounded down to the nearest whole number; the same applies below) to the Company or the Offeror as per Article 235 of the Companies Act and other relevant laws and regulations. The purchase price for the aggregate sum of fractional shares less than one share in the Company Shares will be valued so that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer as a result of the sale will be equal to the price obtained by multiplying the Per Share Tender Offer Price by the number of Company Shares held by each such shareholder. The Offeror intends to request the Company to file a petition to a court for permission to purchase such Company Shares on this basis. Although the ratio of the Reverse Share Split of the Company Shares has not been determined as of today, it is intended that shareholders who hold shares in the Company and do not tender in the Tender Offer will have their shares classified as fractional shares of less than one share in order for the Offeror to become the only owner of all of the Company Shares (excluding treasury shares held by the Company).

In the interest of protecting the rights of minority shareholders in circumstances involving the Reverse Share Split, the Companies Act provides that if the Reverse Share Split occurs and there are fractional shares of less than one share as a result thereof, each shareholder of the Company who does not tender its shares in the Tender Offer may request that the Company purchase all such fractional shares of less than one share at a fair price, and such shareholders may file a petition to a court to determine the price of the Company Shares in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. As explained above, it is intended that, as a result of the Reverse Share Split, any of the shareholders who hold shares in the Company and do not tender in the Tender Offer will have their shares classified as fractional shares of less than one share; accordingly, it is intended that a Company shareholder dissenting with the Reverse Share Split will be eligible to file such petition to determine the price pursuant to the Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If such petition is filed, the purchase price will be finally determined by the court.

With regard to the procedures described in 1. and 2. above, it is possible that, depending on circumstances such as amendments to or the implementation and interpretation of the relevant laws and regulations by authorities, it will require time to implement the procedures or the methods of implementation may be altered. However, even in such a case, upon completion of the Tender Offer, it is intended that a method will be used whereby the shareholders of the Company who do not tender

their shares in the Tender Offer will ultimately receive cash consideration equal to the number of Company Shares held by such shareholder multiplied by the Per Share Tender Offer Price in exchange for their shares.

The specific details and expected timing for the procedures described above will be determined through consultation with the Company and then promptly announced by the Company. It is further noted that the Tender Offer is not intended to solicit shareholders of the Company to agree to the proposals at the Extraordinary Shareholders' Meeting. All shareholders of the Company are solely responsible for seeking advice from a certified tax accountant or other specialists with regard to the tax consequences of tendering their shares in the Tender Offer or the procedures outlined above.

Subject to completion of the Squeeze-Out Procedures, the Offeror plans to partially amend the Articles of Incorporation by eliminating the stipulation of the record date of voting rights for the annual shareholders' meeting promptly after completion of the settlement of the Tender Offer in order to make it to where the shareholder who can exercise voting rights at the annual shareholders' meeting for the fiscal year ending March 31, 2023 (the "Shareholders' Meeting") will be the shareholder after completion of the Squeeze-Out Procedures (*i.e.*, the Offeror). Accordingly, the shareholders who are listed or recorded on the shareholder registry as of March 31, 2023 may be unable to exercise voting rights at the Shareholders' Meeting.

In addition, the Offeror plans to merge with the Company after conducting the Squeeze-Out Procedures. Following the completion of the Tender Offer, the Offeror and the Company will consider whether the merger would impact the permits and licenses held by the Company and analyze and discuss in detail when to conduct the merger, whether the Offeror or the Company will be the surviving company.

F. Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest and Other Measures to Ensure Fairness in the Tender Offer

Given that the Tender Offer is being conducted as part of the Transactions, which constitute an MBO, and thus there are issues relating to conflicts of interests from a structuring standpoint, the Offeror and the Company took the following measures in order to ensure the fairness of the Transactions, including the Tender Offer, with a view to eliminate any arbitrariness in the decision-making process leading up to the determination to conduct the Tender Offer and avoid conflicts of interest.

The following descriptions of the measures taken by the Offeror are based on the explanation received from the Offeror.

1. Procuring a share valuation report from an independent third-party appraiser by the Company

In order to ensure fairness in the decision-making process regarding the Tender Offer Price presented by the Offeror, the Company requested Nomura Securities, as a financial advisor and third-party appraiser independent from the Company and the Offerors, to calculate the share value of the Company

Shares and consequently obtained the share valuation on February 6, 2023. The Company has not obtained any opinion (fairness opinion) from Nomura Securities regarding the fairness of the Tender Offer Price. Also, Nomura Securities does not fall under a related party of the Company or the Offeror, and does not have any important interest to be disclosed in relation to the Transactions, including the Tender Offer. The remuneration for Nomura Securities pertaining to the Transactions includes the contingency fee paid upon the satisfaction of certain conditions, such as the completion of the Transactions. The Company has appointed Nomura Securities as its financial advisor and third-party appraiser based on the remuneration system described above by determining that their independence cannot be denied simply because they will be paid a contingency fee that is conditioned on the completion of the Tender Offer, taking into account the general practice in the same type of transactions and the appropriateness of a remuneration system where the Company will incur a financial burden even if the Transactions are not completed. In addition, the Special Committee confirmed that there was no problem with the independence of Nomura Securities.

For an overview of the Valuation Report, please see “C. Matters Regarding Calculation” above.

2. Advice from an independent law firm by the Company

In order to ensure fairness and appropriateness in the decision-making process of the Company’s Board of Directors pertaining to the Tender Offer, the Company appointed TMI Associates as a legal advisor that is independent from the Company and the Offerors on November 22, 2022 and has received the necessary legal advice from such firm regarding the decision-making method and process of the Company’s Board of Directors, including various proceedings with respect to the Transactions and any other noteworthy points. TMI Associates does not fall under a related party of the Company and Offerors, and it does not have any important interest to be disclosed in relation to the Transactions, including the Tender Offer. In addition, the Special Committee confirmed that there were no issues with the independence of TMI Associates. The remuneration for TMI Associates is calculated only on an hourly basis, and no contingency remuneration conditioned on the completion of the Transactions have been adopted.

3. Establishing a Special Committee by the Company and procuring a written report therefrom

In light of the fact that the Tender Offer is conducted as part of a so-called management buyout (MBO), and given that a structural conflict of interest may arise in the course of considering the Transactions by the Company, the Company resolved at a meeting of its Board of Directors held on December 5, 2022, to establish a Special Committee consisting of consisting of three members: Mr. Kenji Ohya (outside director of the Company); Mr. Tsuneo Tanai (outside director of the Company); and Mr. Masayuki Kobayashi (outside auditor of the Company). The Company believes that all of the members of the Special Committee are independent from the Company and the Offerors, do not have

any material conflicts of interest from the common shareholders with respect to whether the Transactions are consummated, and have deep insights (the members of the Special Committee have remained the same since its establishment, and Mr. Tsuneo Tanai has been appointed as the chairman of the Special Committee by an election by the members). The Special Committee was established for the purpose of carefully making decisions of the Company regarding the Transactions, getting rid of arbitrariness relating to the decision-making of the Company's Board of Directors and risks of conflict of interest, and ensuring the fairness thereof, as well as obtaining opinions as to whether making a decision to implement the Transactions at a meeting of the Company's Board of Directors would be detrimental for the minority shareholders of the Company.

The Company has, pursuant to a resolution of its Board of Directors, consulted the Special Committee about (a) the appropriateness of the purpose of the Transactions, (b) the fairness of the procedures as to the negotiation process with respect to the Transactions, (c) the fairness of the consideration delivered to the minority shareholders of the Company in the Transactions, (d) whether the Transactions (including the Company's opinion statement with respect to the Tender Offer) would be detrimental to the minority shareholders of the Company on the premise of (a) through (c) above, and certain other matters (collectively, the "Consulted Matters"), and requested the Special Committee to provide to the Company the Report pertaining to the Consulted Matters.

Furthermore, it has been resolved to authorize the Special Committee to request the Company's officers and employees, financial advisors, legal advisors and so forth to collect any necessary information for making reports, to confirm the policy in advance, receive timely reports, provide opinions or make requests as necessary when negotiating the terms and conditions of the Tender Offer so that the Company can effectively be involved in the negotiation process of terms and conditions of the Transactions with the Offerors, and, if the Special Committee deems it necessary, to receive advice from a third-party appraiser or any other advisor separate from the person selected for the Transactions by the Company's Board of Directors (and that the reasonable cost thereof will be incurred by the Company).

Each member of the Special Committee is to be paid a time-based or fixed-amount remuneration as consideration for their duties, regardless of contents of their reports.

The Special Committee has discussed and considered the Consulted Matters. Specifically, the Special Committee received an explanation from the Company regarding how it received the proposal of the Transactions, the purpose of the Transactions, the business environment, business plans, business challenges and the like, and had a Q&A session therewith. The Special Committee also received an explanation from the Offerors about how they had come to propose the Transactions and reasons thereof, the purpose of the Transactions, the terms and conditions of the Transactions and the like, and had a Q&A session therewith. Also, it has been confirmed that, as a policy of how to be involved in the negotiation process with the Offerors, Nomura Securities, the financial advisor of the Company, will

directly negotiate as the contact point for the Company; meanwhile, the Special Committee is able to effectively engage in the negotiation process with respect to the terms and conditions by receiving timely reports of the progress from the negotiators, providing opinions in important situations, giving instructions, requests and so forth. In addition, Nomura Securities has provided an explanation on the calculation method of the share value of the Company Shares and results thereof.

Subsequently, the Special Committee, after receiving a timely report from the Company and Nomura Securities regarding the background and details of the discussions and negotiations concerning the Transactions between the Offerors and the Company, deliberated these matters. Then, as described in “3. Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” of “B. Grounds and Reasons for opinion” above, the Special Committee engaged in negotiations regarding the Tender Offer Price with the Offerors and, repeatedly opined to the Company that it should request that the Offeror increase the Tender Offer Price until the final agreement with the Offerors reached at a price of JPY 4,460. In addition, the Special Committee received explanations from TMI Associates regarding the measures taken to mitigate or prevent conflicts of interest in the Transactions and had a Q&A sessions pertaining thereto, and it also received explanations from the Company and Nomura Securities regarding the course of negotiations and decision-making process pertaining to the terms and conditions of the Transactions and had a Q&A session regarding the same.

The Special Committee, after examining the independence, expertise, performance and so forth of multiple legal advisor candidates, appointed Iwata Godo as its own legal advisor on December 21, 2022. In addition, the Special Committee approved the appointment of Nomura Securities as the financial advisor and the third-party appraiser of the Company, and TMI Associates as the legal advisor of the Company, after confirming the degree of independence, expertise, performance and so forth of each.

As a result of careful discussions and considerations regarding the Consulted Matters as described above, the Special Committee provided the Report to the Company’s Board of Directors on February 6, 2023, which was agreed by all the members of the Special Committee. A summary of the report follows:

a. Legitimacy of the purpose of the Transactions

(a) The Company group manufactures and sells various light sources, consisting primarily of lighting lamps, as well as electrical equipment such as optical and environmental devices.

(b) In light of the fact that the Company group’s production of mercury lamps, which supported the sales and profits of the Company group for many years, ended in December 2020, the period until March 31, 2026 has been set as a period for laying the foundation for the survival and development of the Company group. During this period, the Company group’s basic policy is to implement and complete “growth strategies and structural reforms aimed at a corporate renaissance.” In light of such plans, the Company group has been implementing new business initiatives in order to achieve the expansion of its business and provide new value to society.

(c) With respect to lighting equipment, which is the main business of the Company group, as a result of the growing interest in high energy-saving performance and the increase in population and expansion of the middle class in developing countries, in the global market, the demand for LED lighting equipment that is more energy-efficient than existing lighting options is increasing. Further, with respect to lighting equipment, which is the main business of the Company group in the domestic market, although there is an increased need for LED lighting equipment facilitated by the Japanese government's Company to replace all existing lighting equipment and achieve 100% adoption of SSL by the year 2030, the overall market recognizes that there is a trend toward continual price reduction and decreasing demand for lighting equipment. Specifically, in the beginning, the market comprised mostly electrothermal and discharge lamps, which were replaced with LEDs with the advancement of technology; however, with the increased adoption of LEDs, due to reduced replacement needs, the long lifespan of LEDs, etc., and against the backdrop of a declining population and other issues, the overall market is unlikely to grow and the demand for lighting equipment is expected to decline. Therefore, the Company group recognizes that going forward, it is of great importance whether it can seize replacement needs in a saturated market by differentiating its products from other companies through product R&D and, as a premise to that, how it can actualize advanced, high value-added lighting products. Furthermore, with respect to the optical devices and environmental devices businesses, competition in the UV-LED irradiator market, which is the Company group's main product, has intensified due to the entry of overseas manufacturers, and in the air purifier market, the Company group faces intense competition from consumer electronics manufacturers and new manufacturers. Therefore, it is more important than ever to develop products that cater to the needs of consumers and to actively expand into overseas markets as not to be confined by the shrinking domestic market.

(d) In light of the current business environment, the Company recognizes that it is imperative that it implements the Company's Business Plan in a speedy manner as well as decisively (A) creates new businesses, (b) expands its overseas operations and, as a precondition thereof, that it also (c) changes from a mindset towards work where employees tend to maintain the status quo to a corporate structure (corporate culture) that proactively engages in such new measures. Company believes that it can achieve these initiatives by making full use of Carlyle's capital strength and wealth of knowledge regarding M&A in addition to Carlyle's various networks and extensive know-how, as well as its know-how, techniques and experiences relating to the creation of effective incentive plans and the training and coaching of officers and employees, which are supported by its strong track record of increasing the value of its investments.

(e) There are concerns that, if the Company remains listed and implements these measures, the capital markets may provide an inadequate valuation, which could detrimentally affect the Company's shareholders by causing a short-term drop in the price of the Company Shares. In order to overcome

such concerns and aim for future growth, the Company decided that it is essential to build a management system that would enable agile and drastic decision making from a medium- to long-term perspective without being overly constrained by short-term business performance fluctuations through privatization, and to promote business reform through the unification of the Company's management team and employees with the cooperation of Carlyle.

(f) Given that the Company's ability to recruit top talent and expand its business partners as a result of the social trust and visibility is partially derived from its business activities, and also given that the anticipated impact of privatization on the Company's ability to recruit talent will likely be insignificant as a result of the brand strength and visibility that the Company has cultivated heretofore, the Company views the demerits of privatization as being limited in nature and has determined the merits of privatization to outweigh any such demerits.

The significance and purpose of the Transactions, including the Tender Offer, as described above were not unreasonable in any respect, and were deemed to be the result of reasonable consideration. Therefore, it can be said that the Transactions are being conducted for the purpose of increasing the enterprise value of the Company group, and thus the purpose of the Transactions was determined to be legitimate.

b. Fairness of the negotiation process relating to the Transactions

(a) Company's review method

When considering the Transactions, the Company, based on the advice and opinions of Nomura Securities, its financial advisor and third-party appraiser, and TMI Associates, its legal advisor, both which are independent from the Offerors, carefully deliberated and considered the fairness of the procedures relating to the Transactions and the adequacy of the terms and conditions of the Transactions, such as the Tender Offer Price, from the perspective of the common interest of the shareholders of the Company as well as increasing the Company's enterprise value. In addition, the Special Committee received advice from Iwata Godo, its own legal adviser appointed by the Special Committee and independent from the Offerors and the Company.

(b) Discussions and negotiations by the Company

The Company repeatedly negotiated the Tender Offer Price with the Offeror through multiple rounds of substantive discussions and negotiations to ensure fairness with respect to protecting the interests of the minority shareholders. Such consultations and negotiations were conducted in a manner in which the Special Committee was substantially involved in the negotiation process with the Offeror. As a result of such negotiations, the final Tender Offer Price was increased by JPY 576 from the Offeror's initial proposal.

(c) No participation of special affiliated persons in the negotiation process of the Transactions

With respect to the directors who have considered and negotiated the Transactions on behalf of the Company, including Mr. Yoshitake Ito, there are no facts from which it could be inferred that the Company has been unreasonably influenced by a person who has a special conflict of interest regarding the Transactions.

(d) Respecting the opinion of the Special Committee to the greatest extent possible

The Company will respect the opinions of the Special Committee to the greatest extent possible when making decisions relating to the Transactions.

(e) Implementation of other measure to ensure fairness

In addition to the foregoing, the following measures have been or will be implemented to ensure fairness with respect to the Transactions:

- i The Offeror and the Company have not entered into any agreement that would restrict the Company from interacting with anyone who makes a competing offer proposal other than the Offeror.
- ii Promptly after the completion of settlement of the Tender Offer, based on the number of shares acquired by the Offeror as a result of the completion of the Tender Offer, the Offeror will ask the Company to hold an Extraordinary Shareholders' Meeting, the agenda of which will include requesting the shareholders of the Company (excluding the Offeror and the Company) to sell their shares as well as a partial amendment of the articles of incorporation to remove the occurrence and effectiveness of the Reverse Share Split as a condition from provisions relating to number of share units. Further, the Offeror has not adopted any measures which would not ensure the protection of the right to demand the repurchase of shares or appraisal rights of the shareholders of the Company.
- iii The Tender Offer Period will be set at 30 business days, which is longer than the minimum period required by law (20 business days), and the shareholders of the Company will have ample opportunity to make a decision as to whether to tender in connection with the Tender Offer.
- iv The Offeror will set the minimum number of shares to be purchased in connection with the Tender Offer at an amount that exceeds a majority of the number of Company Shares held by shareholders of the Company who do not have a material interest in the Offeror (i.e., the majority of the minority).

Further, although the Company announced the liquidation of ELINA (the “ELINA Liquidation”) on October 14, 2022 and, as a result, the downward adjustment of its forecast on November 7 of the same year (the “Downward Adjustment”), the decision regarding the ELINA Liquidation was reached in October of such year after taking into account the fact that, despite three separate loans from the Company in July and October 2021 and July 2022 totaling an aggregated amount of US\$6 million, the financial conditions of ELINA’s business did not improve and it continued to run at a deficit, and that it was highly likely that additional funding would be required if ELINA’s business were to be continued. In addition, the Downward Adjustment was also determined based on the figures contained in the latest balance sheet after taking into account the fact that, if ELINA’s business were discontinued, it would be impossible to continue to use the raw materials, inventory and fixed assets associated with ELINA’s business. Considering these facts above, there is no fact that would suggest that there were irregularities in the procedures relating to the ELINA Liquidation and Downward Adjustment

Considering the points above, after careful deliberation and consideration, the Special Committee reached the determination that the procedures relating to the negotiation process with respect to the Transactions were fair.

c. Adequacy of the consideration to be delivered to the minority shareholders of the Company and the deal terms of the Transactions

(a) Valuation Report of Nomura Securities

According to the Valuation Report obtained by the Company from Nomura Securities, its third-party appraiser, the per-share value of the shares is JPY 2,332 to JPY 2,478 according to the average stock price analysis, JPY 965 to JPY 2,479 according to the comparable company analysis, and JPY 3,296 to JPY 9,350 based on a DCF analysis. The Tender Offer Price was above the calculated result based on the average stock price analysis and comparable company analysis based on the Valuation Report received from Nomura Securities, and it was within the range calculated by Nomura Securities based on a DCF analysis. Furthermore, the Special Committee received a detailed explanation from Nomura Securities regarding the method used to calculate the valuation of the shares, and it also held a Q&A session with Nomura Securities and the Company where it inquired about the assumptions thereof, including the financial forecasts based on the Company’s business plan which were the basis for the selection and calculation of the valuation methods. As a result, the Special Committee did not find anything to be unreasonable as compared with customary evaluation practices. In addition, the Tender Offer Price (JPY 4,460) reflects a premium of 83.39% over the closing price (JPY 2,432) of the Company’s Shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the public announcement of the Tender Offer (February 3, 2023), 91.25% over the simple average of closing prices for the one-month

period prior to such date (JPY 2,332), 86.30% over the simple average of closing prices for the three-month period prior to such date (JPY 2,394), and 79.98% over the simple average of closing prices for the six-month period prior to such date (JPY 2,478), and it was not low as compared with 36 MBO transactions with premiums that had occurred during the period from January 2020 through the end of 2022 (using the business day immediately preceding the date of the public announcement as a reference date, the median premiums over the one-month, three-month and six-month simple averages of closing prices were between 39.67% and 48.57%), and it could be said to be a price with a commensurate premium.

(b) Fairness of the negotiation process

As stated above, the negotiation process relating to the Transactions, including the Tender Offer, have been deemed to be fair, and it is acknowledged that the Tender Offer Price has determined based on the results of such negotiations.

(c) Consideration to be delivered as part of the post-Tender Offer process

A press release will be issued that clearly states that the monetary amount to be delivered to the minority shareholders who do not participate in the Tender Offer via the privatization process that will be conducted following the Tender Offer will be calculated as an amount equal to the Tender Offer Price multiplied by the number of shares that each of such shareholders holds.

Based on the above points, the Special Committee carefully discussed and considered the results, and determined that the consideration provided to the minority shareholders of the Company through the Transactions is appropriate.

d. Regarding whether the Transactions would be detrimental to the minority shareholders of the Company

During the deliberations of the Special Committee, no other events that may have a material adverse effect on the minority shareholders of the Company were confirmed. Further, as a result of carefully considering the impact of the Transactions on the minority shareholders of the Company based on the matters described in (a) through (c) above, it was determined that the Transactions, including the Special Committee expressing its opinion endorsing the Tender Offer and recommending that the shareholders of the Company tender their shares in connection therewith, would not be not detrimental to the minority shareholders of the Company.

4. Procuring advice from independent legal advisors by the Company

As described under “3. Establishing a Special Committee by the Company and procuring a written report therefrom” above, the Special Committee has appointed Iwata Godo as its own legal advisor

independent that is from the Offerors and the Company, and it has received legal advice therefrom, including advice on measures to be taken to ensure the fairness of the procedures in the Transactions, the procedures for the Transactions, and the methods and processes of deliberation in the Special Committee in relation to the Transactions. Iwata Godo does not fall under a related party of the Offerors or the Company, and it does not have any important interest in relation to the Transactions including, the Tender Offer.

5. Unanimous approval by the disinterested directors of the Company and unanimous opinion by its disinterested statutory auditors that they have no objections

Based on the legal advice received from TMI Associates and the content of the share valuation obtained from Nomura Securities, and respecting the substance of the Report provided by the Special Committee to the fullest extent possible, the Company carefully deliberated whether the enterprise value of the Company could be increased through the Transactions, and whether the Transactions would ensure that the interests of the minority shareholders would be protected through a fair procedure.

As a result, as described under “3. Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” of “B. Grounds and Reasons for opinion” above, the Company’s Board of Directors has determined regarding the Transactions that (i) the Transactions, including the Tender Offer, will build a management system that enables flexible and drastic decision-making from a medium- to long-term perspective without being overly constrained by short-term fluctuations in performance, and they will also promote business reform, including a radical business transformation with Carlyle’s cooperation, which is expected to result in an increase in the enterprise value of the Company; and (ii) the Tender Offer Price and other terms and conditions relating to the Tender Offer are reasonable for the shareholders of the Company, and the Tender Offer will provide the shareholders of the Company with a reasonable opportunity to sell their shares. Accordingly, at the meeting of the Company’s Board of Directors held on February 6, 2023, it was resolved by the unanimous vote of the directors attending the deliberations and resolutions (of the 8 directors in total, 7 directors, excluding Mr. Yoshitake Ito, were in attendance) to express their opinion endorsing the Tender offer and recommending the shareholders of the Company tender their shares in connection with the Tender Offer. In addition, at the meeting of the Board of Directors mentioned above, all 5 corporate auditors of the Company attended, and all the auditors in attendance expressed their opinion that they had no objection to aforementioned resolution.

Of the directors of the Company, Mr. Yoshitake Ito, who is the Representative Director and President, plans to make the Capital Contribution and continue to manage the Company after the Transactions if the Tender Offer is completed, which causes him to have a structural conflict of interest with the Company in relation to the Transactions. Accordingly, he did not participate in the deliberation and resolution at the Board of Directors meeting mentioned above due to being a director of special interest,

and he has not participated in any discussions and negotiations with the Offerors on behalf of the Company.

6. Establishing a lower limit for the anticipated number of shares to be purchased in excess of the majority of minority

The Offeror has set 4,900,900 shares (ownership ratio: 66.09%) as the minimum number of shares to be purchased in connection with the Tender Offer. If the number of Tendered Share Certificates, Etc. does not meet the minimum threshold of 4,900,900 shares, then the Offeror will not purchase any of the Tendered Share Certificates, Etc. The minimum number of shares to be purchased will exceed a number of shares (3,683,107 shares) that is equal to a majority (3,668,285 shares, which is the majority of the Company Shares held by disinterested shareholders of the Company with respect to the Offeror – in other words, an amount equal to the “majority of the minority”) of a number of shares (7,336,569 shares) that is equal to the difference of the total number of Company Shares issued as of December 31, 2022 pursuant to the Company’s Press Release (7,821,950 shares) less the number of treasury shares owned by the Company (405,909 shares), the number of BBT-Owned Shares (64,650 shares), the number of Company Shares (14,100 shares) directly held by Mr. Yoshitake Ito and the number of Company Shares (722 shares) indirectly held via an equity interest in a directors shareholding association of the Company by Mr. Yoshitake Ito, who plans on making the Capital Contribution, as of the same date, plus the number of Company Shares directly held by Mr. Yoshitake Ito (14,100 shares) and the number of Company Shares indirectly held via an equity interest in a directors shareholding association of the Company by Mr. Yoshitake Ito (722 shares). As a result, if the Offeror is unable to obtain the approval of a majority of the shareholders of the Company that are disinterested from the Offeror, then the Transactions, including the Tender Offer, will not be effected in order to value the will of the minority shareholders of the Company.

7. Establishing objective conditions to ensure the fairness of the Tender Offer

The Offeror has set the length of the Tender Offer Period at 30 business days even though the minimum length required by law is 20 business days. We aim to ensure that the Tender Offer Price is fair by making the Tender Offer Period relatively long and thereby giving the shareholders of the Company ample opportunity to decide whether to participate in the Tender Offer as well as granting others an opportunity to conduct competing tender offers.

Additionally, as described under “3. Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” of “B. Grounds and Reasons for opinion” of “III. Details of, and Grounds and Reasons for, the Opinion Regarding the Tender Offer” above, as part of ensuring opportunities for counter-acquisition proposals (market checks), the Company has received proposals from multiple candidates, including Carlyle, and compared such proposals as well as the

results of interviews with each company. As a result, the Company has decided to effect the Transactions with the Offeror, and has actively established opportunities for parties other than the Offeror to purchase or otherwise engage in transactions concerning the Company Shares. Further, the Offeror and Company have not agreed to any deal-protection provisions that prohibit the Company from interacting with anyone who makes a competing acquisition proposal or that restrict the Company from interacting with such persons. Accordingly, we have taken care to ensure the fairness of the Tender Offer by setting the Tender Offer Period as described above as well as providing opportunities for others to make competing tender offers.

IV Matters Relating to Important Agreements Concerning the Tender Offer between the Offeror and shareholders and directors, etc. of the Company

The Carlyle Fund entered into the Agreement with Mr. Yoshitake Ito on February 6, 2023, pursuant to which they agreed to the following:

- (i) Mr. Yoshitake Ito will tender all of the Company Shares that he directly holds (14,100 shares; ownership ratio 0.19%) in connection with the Tender Offer. (Note 1)
- (ii) Mr. Yoshitake Ito will cooperate with and follow the instructions of the Carlyle Fund with respect to any procedures necessary for the Transactions (including any procedures required to tender Company Shares held by the directors shareholding association, employees shareholding association and customer shareholding association of the Company in connection with the Tender Offer).
- (iii) Mr. Yoshitake Ito will make the Capital Contribution. (Note 2)
- (iv) In light of the Capital Contribution, Mr. Yoshitake Ito will enter into a shareholders' agreement (Note 3) with the Carlyle Fund regarding matters such as restrictions and procedures relating to the transfer of the shares of the Offeror.
- (v) Upon completion of the Transactions, Mr. Yoshitake Ito will enter into a services agreement (Note 4) with the Offeror or the Carlyle Fund regarding the provision of management services to the Company.
- (vi) Upon completion of the Transactions, Mr. Yoshitake Ito, as the president of the Company, will continue performing his duties in good faith and make every effort to maximize the enterprise value and share value of the Company.
- (vii) Mr. Yoshitake Ito will not resign from his position as President of the Company or refuse reappointment without the prior approval of the Carlyle Fund.
 - (Note 1) There are not conditions precedent to Mr. Yoshitake Ito's tendering in connection with the Tender Offer.
 - (Note 2) As a result of the Capital Contribution, Mr. Yoshitake Ito will hold less than 2% of the voting rights of the Offeror.

(Note 3) Although there will be restrictions and procedures relating to the transfer of shares of the Offeror, the details thereof have yet to be determined.

(Note 4) Although there will be stipulations relating to the delegation of managerial services, the details thereof have yet to be determined.

V. Matters Concerning Inappropriate Profits Received From the Offeror or its Specially Related Parties

Not applicable

VI. Policy for Responses Regarding Basic Policies on the Control of the Company

Not applicable

VII. Inquiries to the Offeror

Not applicable

VIII. Request for Extension of the Tender Offer Period

Not applicable

IX. Future Prospects

Please see “D. Prospects for Delisting and Reasons Therefor” and “E. Policy of Reorganization After the Tender Offer (Matters Concerning the Two-Step Acquisition)”, and “2. Background, Objectives, and Decision-Making Process behind the Implementation of the Tender Offer; Post-Tender Offer Managerial Policy” under “B. Grounds and Reasons for opinion” of “III. Details of, and Grounds and Reasons for, the Opinion Regarding the Tender Offer” above.

X. Others

A. Public Announcement of “Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 {Japanese GAAP} (On a Consolidated Basis)”

The Company publicly announced its summary of financial results as of today. For details, please refer to the public announcement of the Company above.

B. Public Announcement of “Notice of Amendment to Projected Dividends for the Fiscal Year Ending March 31, 2023 (No Dividends)”

As stated in “Notice of Amendment to Projected Dividends for the Fiscal Year Ending March 31, 2023 (No Dividends)” publicly announced as of today, the Company resolved at a meeting of its board of directors held on February 6, 2023 that, subject to the completion of the Tender Offer, it will not pay any dividends for the fiscal year ending March 31, 2023. For details, please refer to the “Notice of Amendment to Projected Dividends for the Fiscal Year Ending March 31, 2023 (No Dividends)” above.

C. Public Announcement of “Status Update Regarding Plan for Complying with Listing Maintenance Standards”

On February 6, 2023, the Company disclosed a status update of the “Plan for Complying with Listing Maintenance Standards for New Market Classifications” that it had submitted and disclosed on December 6, 2021. Please refer to the “Status Update Regarding Plan for Complying with Listing Maintenance Standards” announcement published by the Company on February 6, 2023 for details.

End

(Ref.) Announcement of Launch of Tender Offer for Common Shares of Iwasaki Electric Co., Ltd. (Code: 6924) (as attached)