

For Immediate Release

Company Name: IGNIS LTD.
 Representative: Qian Kun, President and Founder
 (Securities Code: 3689, Mothers Market of the Tokyo
 Stock Exchange)
 Inquiries: Tomohito Matsumoto, Executive Officer and CFO
 Tel: 03-6408-6820

Notice Regarding Implementation of Management Buyout and Recommendation to Tender Shares

We hereby give notice that at a Board of Directors meeting held today, the Board of Directors passed a resolution to state an opinion in favor of a tender offer (“Tender Offer”) for the outstanding common shares (“Shares”) and Stock Acquisition Rights (as defined in “(2) Stock Acquisition Rights” under “2. Purchase etc. Price” below) of the Company by K.K. i3 (“Tender Offeror”) to be carried out as follows as part of a management buyout (MBO) (note 1), and to recommend that Company shareholders tender their Shares in the Tender Offer and stock acquisition right holders (“Stock Acquisition Right Holders”) who hold the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights and the Thirteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer, but to leave the decision on whether the Stock Acquisition Right Holders who hold the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer to the judgment of those Stock Acquisition Right Holders.

The resolution by the Board of Directors was made on the condition that the Tender Offeror plans to take the Company’s shares private through the Tender Offer and the subsequent series of procedures and that it is planned for the Shares to be delisted.

(Note 1) A “Management Buyout” (MBO) refers to a transaction where the Tender Offeror will carry out the Tender Offer on the basis of an agreement with the Company’s officers and the interests of the Tender Offeror and the Company’s officers will be aligned.

1. Overview of the Tender Offeror

(1) Name	K.K. i3
(2) Address	5th Floor, Palace Building, 1-1-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Title and name of representative	Qian Kun, Representative Director
(4) Nature of business	Acquisition and ownership of the Company’s shares, etc.
(5) Capital	JPY 100,000
(6) Date of establishment	February 24, 2021
(7) Large shareholders and their ownership percentages	BCPE Wish Cayman, L.P., 50.00% Qian Kun, 25.00% Takaaki Suzuki, 25.00%
(8) Relationships between the Company and the Tender Offeror	
Capital relationships	There is no capital relationship to be noted between the Tender Offeror

	and the Company. Mr. Qian Kun, the representative director who holds 25.0% of the outstanding shares of the Tender Offeror (“Mr. Qian”), holds 2,616,600 Shares (shareholding ratio (note 2): 15.94%).
Personal relationships	Mr. Qian, the Company’s president and representative director, concurrently serves as representative director of the Tender Offeror.
Transactional relationships	N/A
Status as related person	N/A

(Note 2) Here and hereafter, the “shareholding ratio” is the ratio (rounded to the second digit after the decimal) to (i) the number of outstanding Shares (15,676,400 shares) as of December 31, 2020 stated in the quarterly report for the first quarter of the 12th fiscal term submitted by the Company on February 12, 2021 *plus* (ii) the number of shares (785,600 shares) subject to Stock Acquisition Rights (10,200 units) as of March 4, 2021 equal to the total number of stock acquisition rights as of November 30, 2020 stated in the securities report for the 11th fiscal term submitted by the Company on December 21, 2020 (18,021 units (number of shares subject to the stock acquisition rights: 1,598,700 shares) *minus* stock acquisition rights that were exercised or extinguished from December 1, 2020 to March 4, 2021 (7,821 units (number of shares subject to the stock acquisition rights: 813,000 shares) (Sixth Stock Acquisition Rights: 189 units (number of shares subject to the stock acquisition rights: 37,800 shares), Seventh Stock Acquisition Rights: 121 units (number of shares subject to the stock acquisition rights: 24,200 shares), and Seventeenth Stock Acquisition Rights: 7,511 units (number of shares subject to the stock acquisition rights: 751,100shares))) (equal to 10,200 units (Fourth Stock Acquisition Rights: 2,800 units (number of shares subject to the stock acquisition rights: 5,600 shares), Twelfth Stock Acquisition Rights: 250 units (number of shares subject to the stock acquisition rights: 50,000 shares), Thirteenth Stock Acquisition Rights: 150 units (number of shares subject to the stock acquisition rights: 30,000 shares), Fifteenth Stock Acquisition Rights: 3,500 units (number of shares subject to the stock acquisition rights: 350,000 shares), and Sixteenth Stock Acquisition Rights: 3,500 units (number of shares subject to the stock acquisition rights: 350,000 shares))) (equal to 16,462,000 shares) *minus* (iii) the number of treasury shares (43,351 shares) that the Company holds as of December 31, 2020 stated in the preliminary financial statements for the first quarter of the September 2021 term (Japanese standards) (consolidated) announced by the Company on February 12, 2021 (equal to 16,418,649 shares).

2. Purchase etc. Price

(1) JPY 3,000 per common share (“Tender Offer Price”)

(2) Stock acquisition rights

- (i) JPY 4,450 per unit of the share options issued based on a resolution adopted at the extraordinary shareholders’ meeting held on March 10, 2014 (“Fourth Stock Acquisition Rights”) (exercise period from March 12, 2016 to February 11, 2024);
- (ii) JPY 353,400 per unit of the share options issued based on a resolution adopted at the meeting of the Board of Directors held on October 13, 2016 (“Twelfth Stock Acquisition Rights”) (exercise

- period from October 28, 2016 to October 27, 2021);
- (iii) JPY 135,000 per unit of the share options issued based on a resolution adopted at the meeting of the Board of Directors held on February 16, 2017 (“Thirteenth Stock Acquisition Rights”) (exercise period from March 3, 2017 to March 2, 2022);
 - (iv) JPY 1 per unit of the share options issued based on a resolution adopted at the meeting of the Board of Directors held on March 5, 2018 (“Fifteenth Stock Acquisition Rights”) (exercise period from March 23, 2018 to March 22, 2021); and
 - (v) JPY 1 per unit of the share options issued based on a resolution adopted at the meeting of the Board of Directors held on March 5, 2018 (“Sixteenth Stock Acquisition Rights”; and the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, the Thirteenth Stock Acquisition Rights, the Fifteenth Stock Acquisition Rights, and the Sixteenth Stock Acquisition Rights, collectively, the “Stock Acquisition Rights”) (exercise period from March 23, 2018 to March 22, 2021).

3. Substance of and Grounds and Reasons for Opinion Relating to Tender Offer

(1) Substance of Opinion

At the Board of Directors meeting held today, on the basis of the grounds and reasons set forth in “(2) Grounds and Reasons for Opinion on the Tender Offer” below, the Company passed a resolution to state an opinion in favor of the Tender Offer and to recommend that the Company’s shareholders tender their Shares in the Tender Offer and the Stock Acquisition Right Holders who hold the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights and the Thirteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer, but to leave the decision on whether the Stock Acquisition Right Holders who hold the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer to the judgment of those Stock Acquisition Right Holders.

The resolution by the Board of Directors was passed using the method set forth in “(iv) Approval of All Company Directors (including Audit & Supervisory Committee Members) Not Having a Conflict of Interest” in “(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Prevent Conflict of Interest, and Other Measures to Ensure Fairness of the Tender Offer” below.

(2) Grounds and Reasons for Opinion on the Tender Offer

The statements here in “(2) Grounds and Reasons for Opinion on the Tender Offer” that relate to the Tender Offeror are based on explanations received from the Tender Offeror.

(i) Overview of the Tender Offer

The Tender Offeror is a corporation (*kabushiki kaisha*) established on February 24, 2021 for the primary purpose of holding the Shares through the Tender Offer. As of the current date, Mr. Qian, the Company’s president and founder who is also the second largest major shareholder of the Company, holds 25.00% of the voting rights relating to the Tender Offeror’s common shares, Mr. Takaaki Suzuki (“Mr. Suzuki”), the Company’s CTO and representative director who is also the largest major shareholder of the Company, holds 25.00% of the voting rights relating to the Tender Offeror’s common shares, and BCPE Wish Cayman, L.P. (“BCPE Wish Cayman”), which is owned and managed by Bain Capital Private Equity, LP and its group (collectively, “Bain Capital”), holds 50.00% of the voting rights relating to the Tender Offeror’s common shares. As of the current date, the Tender Offeror do not own any Shares.

At this time, the Tender Offeror will conduct the Tender Offer as a part of a series of transactions (the “Transaction”) intended to take the Company’s shares private by acquiring all of the Shares (including Shares delivered as a result of the exercise of Stock Acquisition Rights but excluding treasury shares held by the Company, all of the Shares held by Mr. Qian, all of the Shares held by

Mr. Suzuki, all of the Shares held by QK LTD. (“QK”), which is an asset management company of which Mr. Qian holds 51.00% of the outstanding shares and the fourth largest shareholder, all of the Shares held by SY LTD. (“SY”), which is an asset management company of which Mr. Qian holds 51.00% of the outstanding shares and the eighth largest shareholder, all of the Shares held by Ms. Rie Yamada (“Ms. Yamada”), who is the spouse of Mr. Qian, and all of the Shares held by four friends of Mr. Qian, namely Mr. Yasuyuki Kashiwaya (the ninth largest shareholder; “Mr. Kashiwaya”), Mr. Katsuya Uenoyama (“Mr. Uenoyama”), Mr. Yusuke Sato (“Mr. Sato”) and Mr. Nobusuke Akimoto (“Mr. Akimoto”; Mr. Kashiwaya, Mr. Uenoyama, Mr. Sato and Mr. Akimoto are hereinafter collectively referred to as “Non-tendering Friend Shareholders”; Mr. Qian, Mr. Suzuki, QK, SY, Ms. Yamada and the Non-tendering Friend Shareholders are hereinafter collectively referred to as “Non-accepting Shareholders”) and Stock Acquisition Rights (excluding the Stock Acquisition Rights held by the Non-accepting Shareholders), which are listed on the Mothers market (“TSE Mothers Market”) established by Tokyo Stock Exchange, Inc. (the “TSE”).

The Transaction corresponds to a so called management buyout (MBO) in which Mr. Qian and Mr. Suzuki are involved as offerors, and Mr. Qian and Mr. Suzuki are expected to remain involved in the Company management following completion of the Transaction.

Bain Capital, which provides finance to the Tender Offeror jointly with Mr. Qian and Mr. Suzuki, is an international investment company with a total of approximately \$100 billion in working assets worldwide, and since opening its Tokyo office in 2006, approximately 40 professionals have been working to improve the corporate value of Bain Capital’s portfolio companies in Japan. Most of those professionals have experience at industrial companies and consulting companies, and in addition to capital and financial support that is provided by general investment companies, Bain Capital has also steadily executed growth strategies by supporting business operations at a field level and led numerous measures for value improvement to a success. Bain Capital has an investment track record of 20 companies in Japan including Kirindo Holdings Co., Ltd., hey Inc., Nichiigakkan Co., Ltd., Showa Aircraft Industry Co., Ltd., Cheetah Digital Co., Ltd. (currently EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (currently KIOXIA Corporation), Japan Wind Development Co., Ltd., Ooedo-Onsen-Monogatari Co., Ltd., ASATSU-DK Inc., Jupiter Shop Channel Co., Ltd., Skylark Co., Ltd., Domino's Pizza Japan, Inc., Macromill, Inc., and BELLSYSTEM24, Inc., and Bain Capital has had achieved results globally from investments in more than 450 companies since its establishment in 1984.

Additionally, when conducting the Tender Offer, the Tender Offeror entered into a basic agreement (“Basic Agreement”) on March 5, 2021 with Mr. Qian (number of shares held: 2,616,600 shares; shareholding ratio: 15.94%), and Mr. Suzuki (number of shares held: 3,966,600 shares; number of Stock Acquisition Rights held: 100 units (number of shares subject to the stock acquisition rights: 20,000 shares); shareholding ratio: 24.28%). Mr. Qian has agreed not to tender all of the 2,616,600 Shares that he holds (shareholding ratio: 15.94%) in the Tender Offer, Mr. Suzuki has agreed not to tender all of the 3,966,600 Shares that he holds (shareholding ratio: 24.16%) and the Stock Acquisition Rights that he holds (100 units (number of shares subject to the stock acquisition rights: 20,000 shares; shareholding ratio: 0.12%) in the Tender Offer. Moreover, when conducting the Tender Offer, the Tender Offeror entered into Non-tender Agreements (“Non-tender Agreements”) on March 5, 2021 with QK (number of shares held: 354,300 shares; shareholding ratio: 2.16%), SY (number of shares held: 212,600 shares; shareholding ratio: 1.29%), Mr. Kashiwaya (number of shares held: 204,800 shares; shareholding ratio: 1.25%), Ms. Yamada (number of shares held: 192,200 shares; shareholding ratio: 1.17%), Mr. Uenoyama (number of shares held: 36,000 shares; shareholding ratio: 0.22%), Mr. Sato (number of shares held: 34,000 shares; shareholding ratio: 0.21%), and Mr. Akimoto (number of shares held: 14,400 shares; number of Stock Acquisition Rights held: 30 units (number of shares subject to the stock acquisition rights:

6,000 shares); shareholding ratio: 0.12%)). QK has agreed not to tender all of the 354,300 Shares that it holds (shareholding ratio: 2.16%) in the Tender Offer, SY has agreed not to tender all of the 212,600 Shares that it holds (shareholding ratio: 1.29%) in the Tender Offer, Mr. Kashiwaya has agreed not to tender all of the 204,800 Shares that he holds (shareholding ratio: 1.25%) in the Tender Offer, Ms. Yamada has agreed not to tender all of the 192,200 Shares that she holds (shareholding ratio: 1.17%) in the Tender Offer, Mr. Uenoyama has agreed not to tender all of the 36,000 Shares that he holds (shareholding ratio: 0.22%) in the Tender Offer, Mr. Sato has agreed not to tender all of the 34,000 Shares that he holds (shareholding ratio: 0.21%) in the Tender Offer, and Mr. Akimoto has agreed not to tender all of the 14,400 Shares that he holds (shareholding ratio: 0.09%) and the 30 units of the Stock Acquisition Rights that he holds (number of shares subject to the stock acquisition rights: 6,000 shares; shareholding ratio: 0.04%) in the Tender Offer. The Shares described above that the Non-accepting Shareholders will not tender in the Tender Offer (total number of shares held: 7,631,500 shares; shareholding ratio: 46.48%) are hereinafter referred to as the “Non-accepted Shares for Tendering.”

Further, when conducting the Tender Offer, the Tender Offeror entered into a Tender Offer Agreement (the “Tender Offer Agreement”) on March 5, 2021 with SK LTD. (“SK” or the “Accepting Shareholder”), which is an asset management company of which Mr. Qian holds 87.10% of the outstanding shares and the fifth largest shareholder (number of shares held: 269,300 shares; shareholding ratio: 1.64%), in which SK has agreed to tender all of the Shares that it holds in the Tender Offer.

For details concerning the Basic Agreement, Non-tender Agreements and Tender Offer Agreement, see “4. Matters Relating to Material Agreements Concerning the Tender Offer between the Tender Offeror and Company Shareholders and Directors” below.

In the Tender Offer, Tender Offeror has not set any maximum number and minimum number of shares to be purchased in the Tender Offer and will purchase all share certificates, etc. tendered in the Tender Offer.

The Tender Offeror will execute the Tender Offer in order to acquire all Shares (including Shares delivered as a result of the exercise of Stock Acquisition Rights but excluding treasury shares held by the Company and the Non-accepted Shares for Tendering) and Stock Acquisition Rights (excluding the Stock Acquisition Rights held by the Non-accepting Shareholders) for the purpose of taking the Company’s shares private, and therefore, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer. The Tender Offeror decided not to set a minimum number of shares to be purchased in the Tender Offer for the reasons described below in order to maximize the possibility of achieving the purpose of increasing the Company’s corporate value, to respect the decisions of the Company’s shareholders and Stock Acquisition Right Holders regarding whether or not to tender their Shares or Stock Acquisition Rights in the Tender Offer, and to conduct a transaction that will contribute to the interests of the Company’s shareholders and Stock Acquisition Right Holders.

The Tender Offeror also considers that if a minimum number of shares to be purchased is set in the Tender Offer, then even if a certain number of the Company’s shareholders and Stock Acquisition Rights Holders agree to the conditions of the Transaction including the conditions of the Tender Offer, as a result, if the Tender Offer were not completed, there would be a possibility that the Transaction, which provides to the Company’s shareholders and Stock Acquisition Rights Holders who tender their Shares and Stock Acquisition Rights in the Tender Offer a reasonable opportunity where they can sell their shares at a price equal to the market price including certain premium, would be impeded. Therefore, the Tender Offeror decided not to set a minimum number of shares to be purchased in the Tender Offer.

As stated in “(4) Prospects for Delisting and Reasons Therefor” below, even if the total number of the voting rights of the Company held by the Tender Offeror and the Non-accepting Shareholders is less than two-thirds of the voting rights of all shareholders of the Company after the completion of the Tender Offer, if approval for the proposal relating to the Share Consolidation (as defined in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)” below) is obtained at the Extraordinary Shareholders’ Meeting (as defined in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)” below), the Shares may be subject to delisting after performing the prescribed procedures in accordance with the TSE’s delisting criteria.

If the Tender Offer is completed, the Tender Offeror plans to secure a maximum of JPY 30 billion in financing from BCPE Wish Cayman through BCPE Wish Cayman subscribing for class shares (the “Class Shares (i)”) issued by the Tender Offeror. The Tender Offeror intends to apply those funds to settlement of the Tender Offer and so on. The Class Shares (i) will be issued after the completion of the Tender Offer and before the day of commencement of settlement of the Tender Offer, and they have not been issued as of today. The Class Shares (i) will have no voting rights and will have put options allowing them to be exchanged for common stock (note 3), and BCPE Wish Cayman will subscribe for all of those shares. BCPE Wish Cayman will not exercise the put options before the completion of the Transaction.

If the Tender Offeror is unable to acquire all Shares (including Shares delivered as a result of the exercise of Stock Acquisition Rights but excluding treasury shares held by the Company and the Non-accepted Shares for Tendering) through the Tender Offer, as indicated in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)” below, following completion of the Tender Offer, the Tender Offeror plans to request that the Company implements procedures (the “Squeeze-Out Process”) in order to acquire all Shares (including Shares delivered as a result of the exercise of Stock Acquisition Rights but excluding treasury shares held by the Company and the Non-accepted Shares for Tendering) and take the Company’s shares private, wherein only Mr. Qian, Mr. Suzuki and the Tender Offeror are shareholders of the Company.

In connection with the Tender Offer, Mr. Qian, Mr. Suzuki, BCPE Wish Cayman and the Tender Offeror entered into the Shareholders Agreement (as defined in “(b) Post-Tender Offer Managerial Policy” under “(ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” below) on March 5, 2021 and agreed in the Shareholders Agreement that subject to the completion of the Tender Offer and the Squeeze-out Process, BCPE Wish Cayman will subscribe for class shares (the “Class Shares (ii)”; collectively with the Class Shares (i), the “Class Shares”) issued by the Tender Offeror for the purpose of providing funds necessary for the growth of the business of the Company Group (as defined in “(a) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer” under “(ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” below) and the Tender Offeror will subscribe for common shares issued by the Company by paying to the Company the funds acquired through that capital increase (the “Additional Capital Increase”). The terms of the Class Shares (ii) will be the same as those of the Class Shares (i), and BCPE Wish Cayman will subscribe for all of the Class Shares (ii). The Additional Capital Increase is planned to be executed in the amount of around 2.7 billion yen, but Mr. Qian, Mr. Suzuki, Bain Capital and the Company will continue to discuss and decide on the specific timing and amount of the Additional Capital Increase in light of the financing needs for the future business operation of the Company.

Additionally, in connection with the Tender Offer, Mr. Qian and Mr. Suzuki entered into the Basic Agreement with the Tender Offeror on March 5, 2021, and Mr. Qian and the Tender Offeror agreed in the Basic Agreement that Mr. Qian will consult and negotiate with Elements Capital Research Godo Kaisha (“Elements Capital”), which is the third largest shareholder to repay secured obligations under the pledge held by Mr. Qian against Elements Capital with respect to the Shares (630,000 shares; ownership ratio: 3.84%) for which Elements Capital is the pledgee and to immediately extinguish the pledge (note 4). In addition, Mr. Qian, Mr. Suzuki and the Tender Offeror agreed in the Basic Agreement that subject to the completion of the Tender Offer and the Squeeze-out Process, they will cause BCP Wish Cayman to exercise put options that allow the options to be exchanged for common stock of the Tender Offeror in relation to all of the Class Shares that it holds (the “Class Share Conversion”) immediately before the effective date of the Absorption-type Merger (as defined below), and subject to the completion of the Tender Offer and the Squeeze-out Process, the Tender Offeror will conduct an absorption-type merger with the Company in which the Tender Offeror will be the company surviving the absorption-type merger and the Company will be the company disappearing in the absorption-type merger (the “Absorption-type Merger”). As a result of the Absorption-type Merger, common stock of the Tender Offeror will be delivered to Mr. Qian and Mr. Suzuki, who will be the Company’s shareholders at that time excluding the Tender Offeror and the Company. Therefore, after the Absorption-type Merger, the shareholders of the Tender Offeror will be Mr. Qian, Mr. Suzuki and BCPE Wish Cayman.

Because the Absorption-type Merger will be conducted subject to the completion of the Tender Offer and the Squeeze-out Process, if approval for the proposal relating to the Absorption-type Merger is not able to be obtained at the Extraordinary Shareholders’ Meeting, and the Squeeze-out Process is not completed, the Absorption-type Merger will not be conducted.

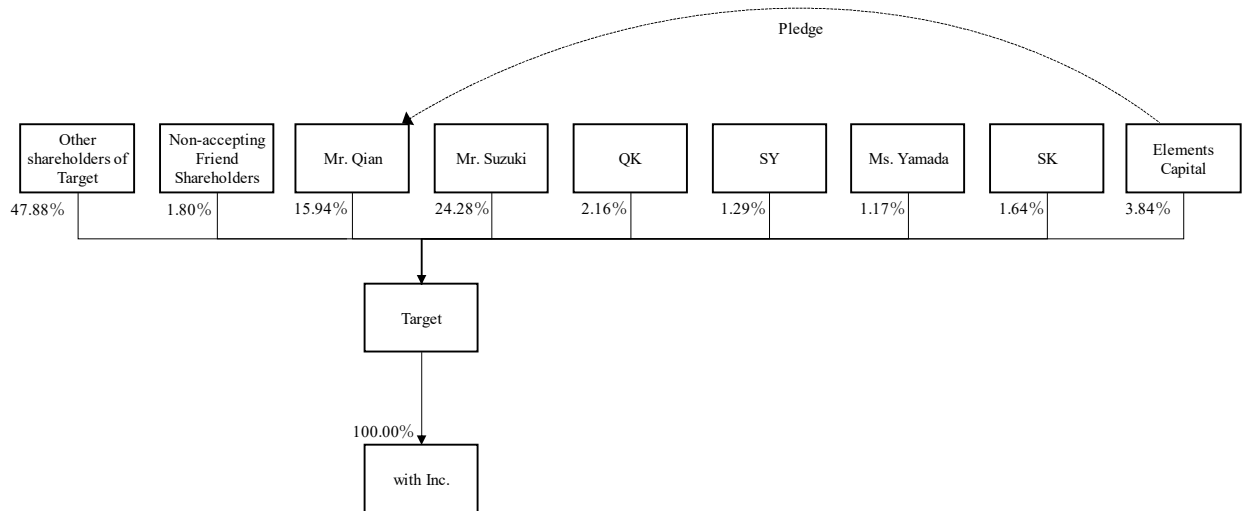
Further, Mr. Qian, Mr. Suzuki and the Tender Offeror agreed in the Basic Agreement that subject to the completion of the Absorption-type Merger, the Company will conduct dividends in kind (the “Dividends in Kind”) with respect to the shares of with Inc., a wholly-owned subsidiary of the Company (note 6), to the shareholders of the Tender Offeror at that time (note 5) in accordance with the shareholding ratio of the Tender Offeror’s common shares that each shareholder holds. While the main businesses of the Company Group are the matching business and enter-tech business, the Company Group is also engaged in other businesses, and the Tender Offeror believes that from the perspective of increasing the overall corporate value of those businesses, as the business environments of those businesses differ, it is desirable to seek to optimize management resources in each business rather than to operate those businesses in an integrated manner. Specifically, although the matching business in which with Inc. is engaged has already established a revenue base, the enter-tech business and other businesses have not achieved profitability at present, and funding demands for upfront investments for business expansion are continually arising. The Tender Offeror Group believes that as the Company Group engages in businesses that are at different business stages, it is possible that the value of each business will be underestimated (in the case of the matching business, its earning power may be underestimated, and in the case of the enter-tech business, its growth capacity may be underestimated). Therefore, through the Dividends in Kind, by splitting off with Inc., which engages in the matching business, from the Company Group and separately and independently operating the matching business and the Company Group’s other business, including the enter-tech business, the Tender Offeror Group believes that for the matching business as well as the enter-tech business and other businesses, growth suitable for their respective business stages can be expected. After the Dividends in Kind, only the Company Group’s other businesses, including the enter-tech business, will remain with the Company Group; however, growth can be expected for the businesses of the Company Group through the implementation of upfront investments in measures such as updates for INSPIX WORLD using the funds received from the Additional Capital

Increase by the Tender Offeror, and the Tender Offeror Group expects that it will also become possible to consider procuring funds from external investors. Mr. Qian and Mr. Suzuki intend to remain involved in the management of the Company Group and with Inc. after the Dividends in Kind. However, the specific timing of the Dividends in Kind has not been set at present and will continue to be discussed by Mr. Qian, Mr. Suzuki and Bain Capital (the “Tender Offeror Group”). For details of the Basic Agreement, see “(1) Basic Agreement” under “4. Matters Relating to Material Agreements Concerning the Tender Offer between the Tender Offeror and Company Shareholders and Directors” below.

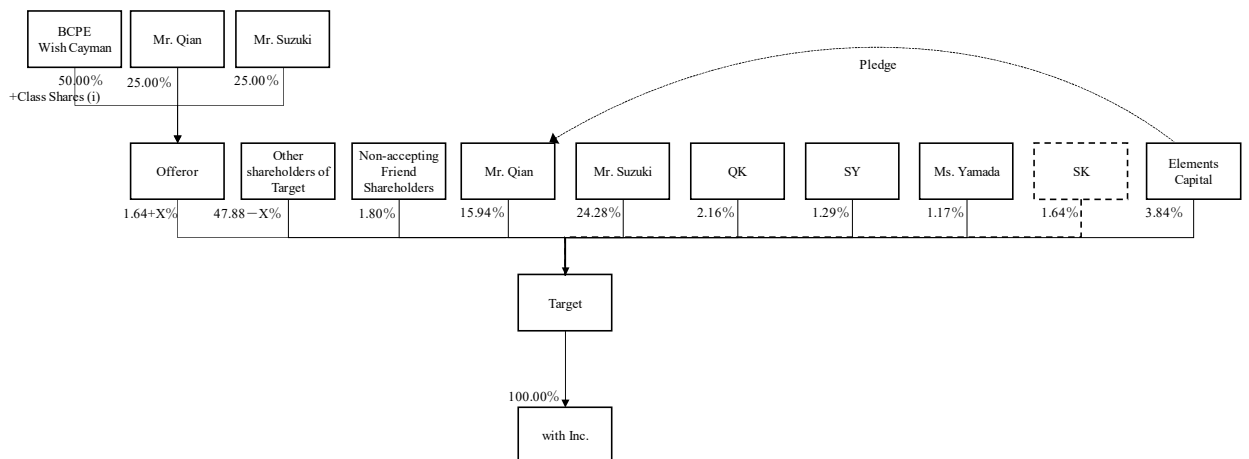
- (Note 3) If put options that allow the options to be exchanged for common stock in relation to either the Class Shares (i) or the Class Shares (ii) or both before the Absorption-type Merger are exercised, BCPE Wish Cayman will hold more than 99% of the voting rights of the Tender Offeror, unless there are extremely few tenders in the Tender Offer.
- (Note 4) The sales proceeds of the Shares to be obtained through SK, which is an asset management company of which Mr. Qian holds 87.10% of the outstanding shares, tendering its shares in the Tender Offer will be used for the funds necessary for the prepayment of secured obligations relating to the pledge. If such prepayment and cancellation of the pledge are conducted, Mr. Qian will be able to exercise the voting rights represented by the Shares (630,000 shares; shareholding ratio: 3.84%) for which Elements Capital Research Godo Kaisha is the pledgee.
- (Note 5) With respect to both the Tender Offeror and with Inc. after the Dividends in Kind, Mr. Qian will hold approximately 19% of their common stock, Mr. Suzuki will hold approximately 24% of their common stock, and BCPE Wish Cayman will hold approximately 57% of their common stock. However, there is a possibility that the above percentages will be changed based on the consolidation ratio in the Share Consolidation.
- (Note 6) The company profile of with Inc. is as described in Attachment 1.

According to the Tender Offeror, the diagram of the series of transactions currently expected is as follows. The process to be taken after “(v) After the Additional Capital Increase” following the Squeeze-out Process is stated as currently expected but may be changed depending on the status of discussion between Mr. Qian, Mr. Suzuki and Bain Capital.

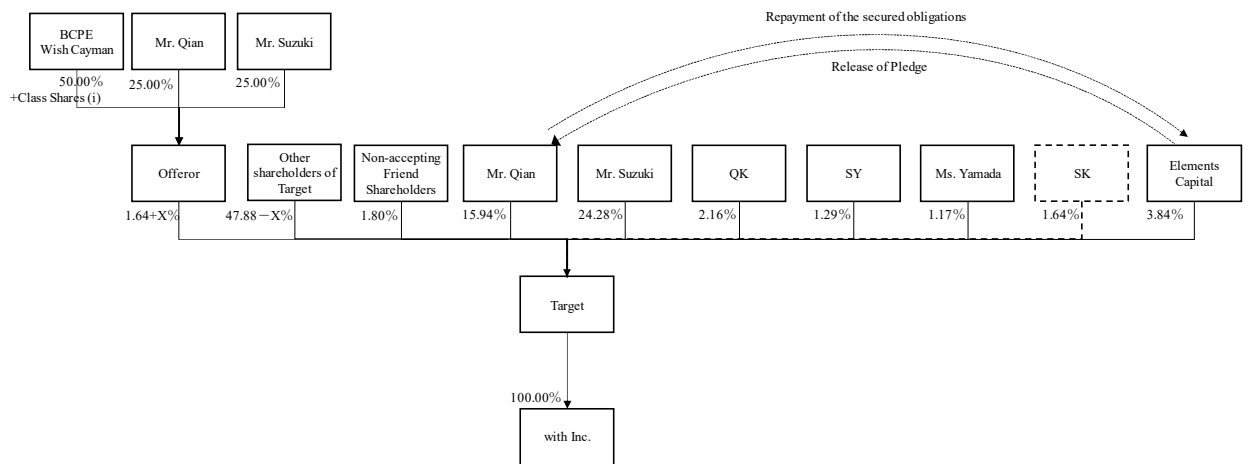
[(i) Current status]



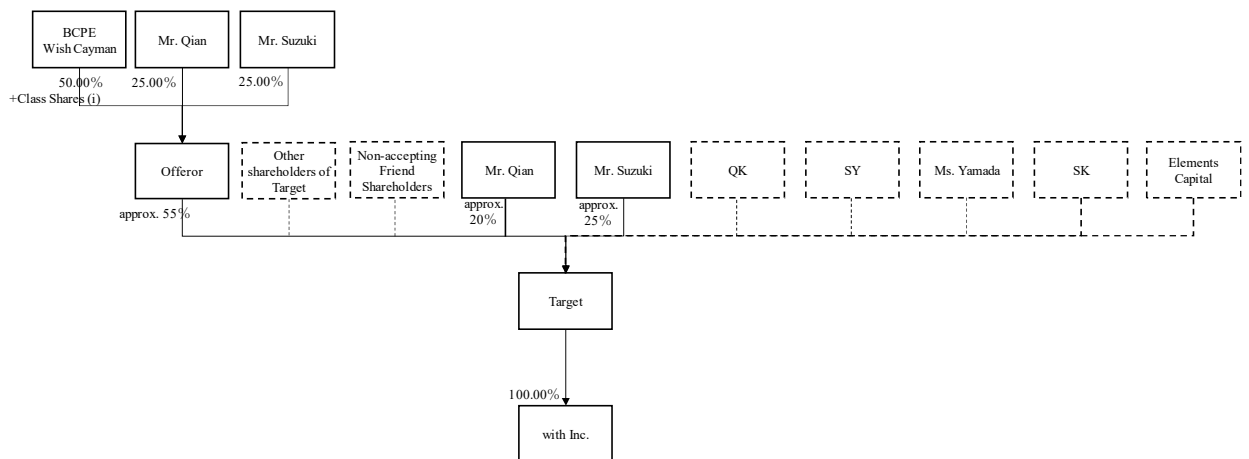
[(ii) After the completion of the Tender Offer]



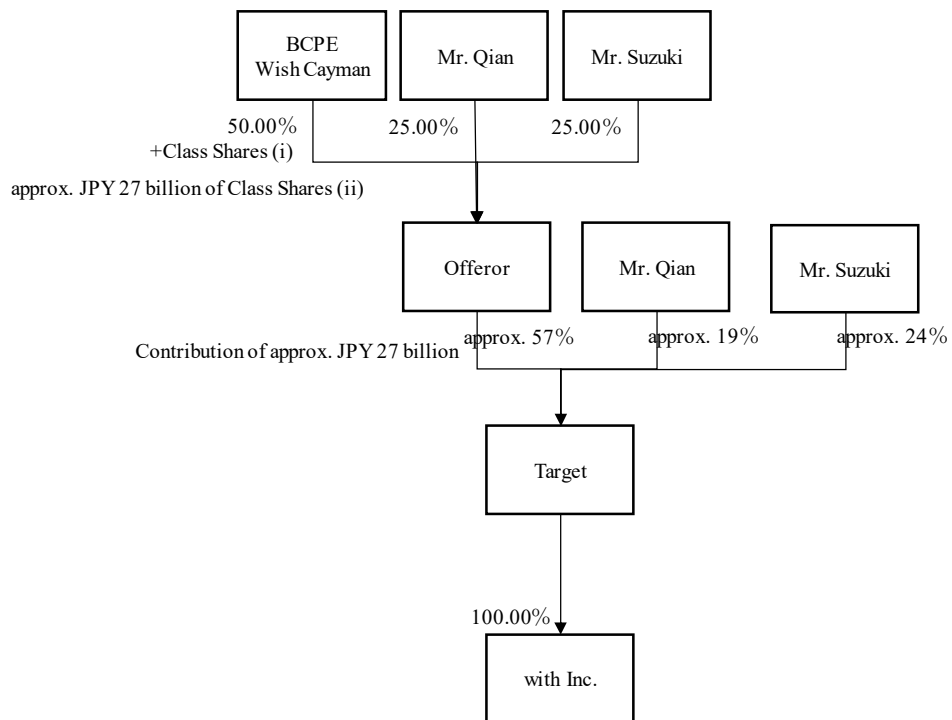
[(iii) Cancellation of pledge of Elements Capital]



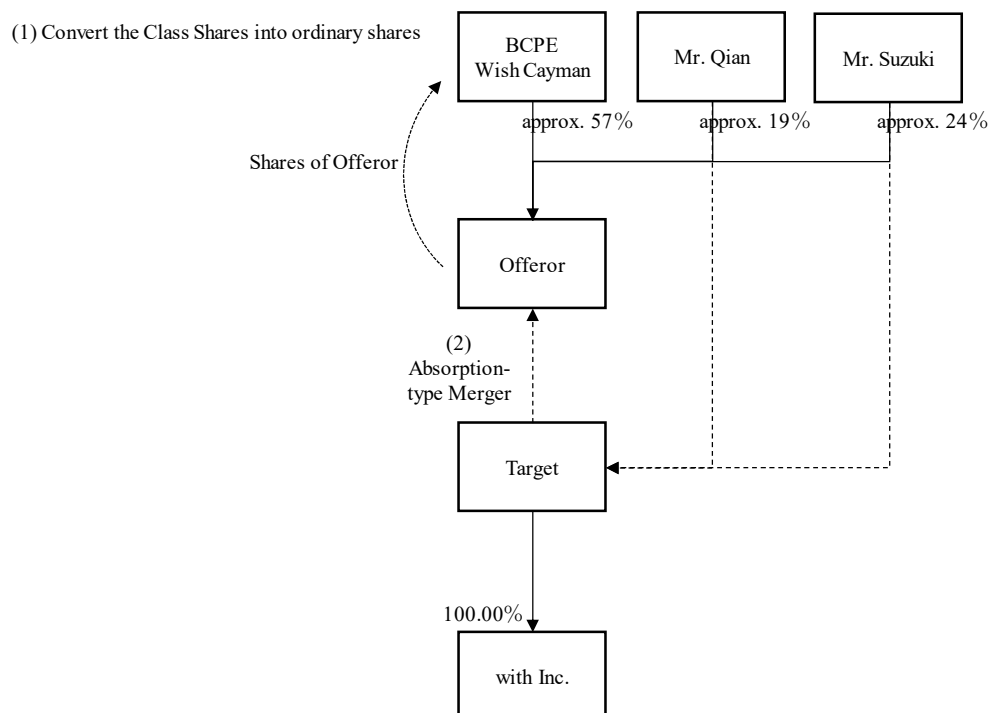
[(iv) After the Squeeze-out Process]



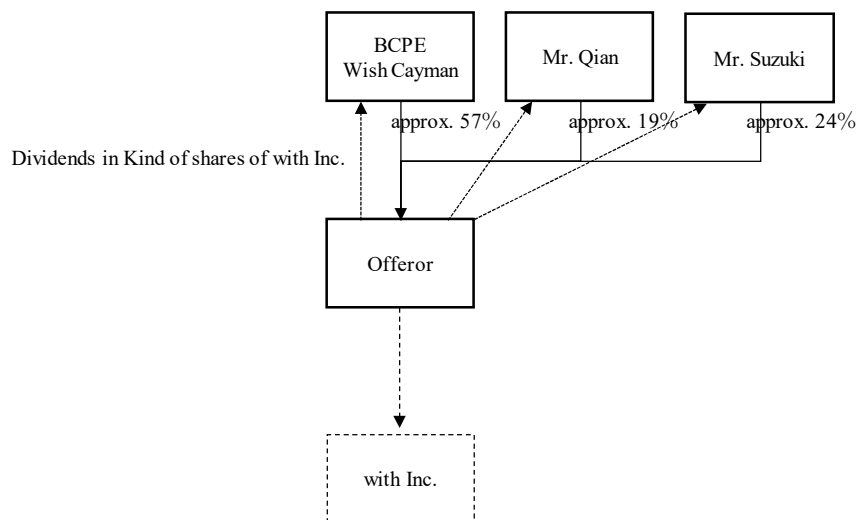
[(v) After the Additional Capital Increase]



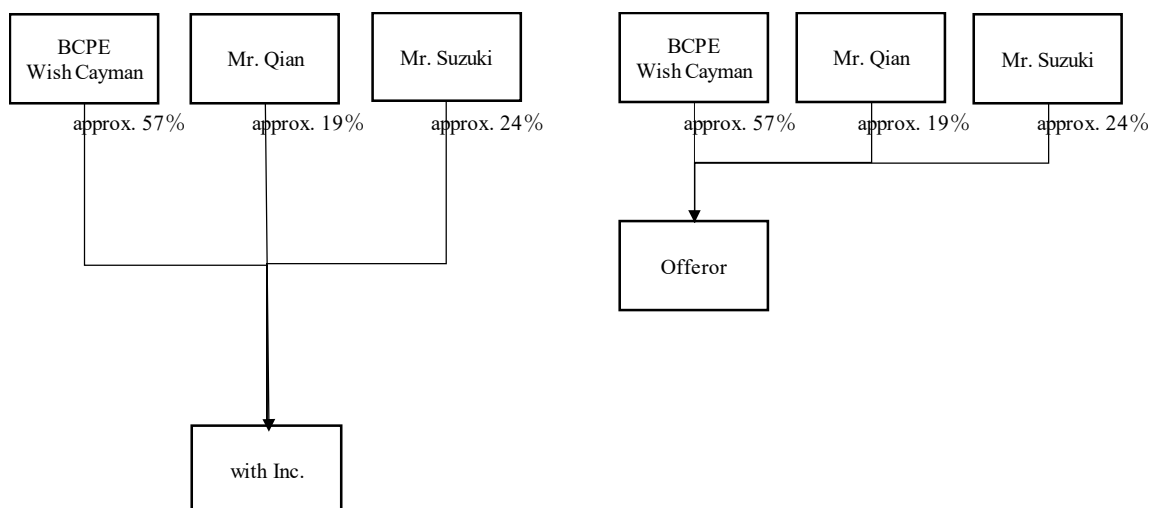
[(vi) After the conversion of the Class Shares and the Absorption-type Merger]



[(vii) Dividends in Kind]



[(viii) After the Dividends in Kind]



(ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy

(a) Background, Objectives, and Decision-Making Process behind the Tender Offeror's Decision to Implement the Tender Offer

As of March 5, 2021, the Company Group consists of the Company, six consolidated subsidiaries, and two equity-method affiliates, totaling eight companies (collectively, the "Company Group"), and its main businesses are the matching business, wherein the main service is "with," an online matching service for love and marriage hunting provided by with Inc., a wholly-owned subsidiary of the Company, and the enter-tech business, wherein the Company Group develops "concert platform operation" and "IP (talent, etc.) discovery, development, and producing, etc." The Company was established by Mr. Qian in May 2010 in Shibuya, Tokyo for the purpose of planning, developing, and operating native smartphone apps (note 7), and since its establishment, under its corporate philosophy of "Until we impact the world, we won't be satisfied" and its mission of "Creating new standards, over and over again," the Company has developed various services mainly centered around the business of planning, developing, and operating smartphone apps. In July 2014, the Company's shares were listed on

the TSE Mothers Market, and in March 2020, the Company transferred its smartphone game app business and other businesses to a third party from the perspective of business selection and focusing.

(Note 7) A “native app” is an application used on a device after downloading it from a platform such as the App Store or Google Play; native apps are less stressful for users to use than browser apps, which require a constant network connection.

In order to achieve continuing profit growth and corporate value increases, the Company Group develops its businesses while building a strong and stable business portfolio and endeavoring to achieve multi-faceted business development that does not rely on any single business, and its medium to long-term business strategy is to focus on investing management resources into the matching business, which brings in steady earnings through monthly subscriptions, and the enter-tech business, which the Company Group considers to have the potential to achieve explosive growth by providing customers with services they have never experienced, while also developing other businesses. In regard to other businesses, the Company Group continues to endeavor to create attractive new businesses by combining technological capabilities with creativity, such as in the medical-institution-oriented SaaS (note 8) business, which is the business of planning, developing, and operating software for medical institutions for the purpose of online medical examinations.

(Note 8) “SaaS (Software as a Service)” refers to providing and using software through the internet as a service instead of as a packaged product, as it had been provided previously, thereby removing or reducing the need for implementation, construction, management, or the like on the part of the user and making it possible to always provide and use the newest software features.

In the matching business, the main service offered by the Company Group is “with,” an online matching service for love and marriage hunting provided by with Inc., a wholly-owned subsidiary of the Company, which aims to match ideal couples based on the concept of “more certain than fate” by using knowledge of statistics and psychology. The main revenue sources in the business model of “with” are subscription revenue from monthly subscriptions by paid members and advertising revenue from advertisements displayed within the service, and as online dating is steadily becoming more common in Japan, the number of registered users had reached 4.10 million people as of the end of December 2020, with the number of paid users also having grown continually since service began in September 2015. Net sales and operating profit in the matching business have also grown in the September 2020 term and the first quarter of the September 2021 term.

In the enter-tech business, the Company Group provides a concert app mainly for iOS and Android devices and develops its business centered around both “concert platform operation,” the business model of which uses proceeds from sales of paid items as its revenue source, and “IP (talent, etc.) discovery, development, and producing, etc.,” the business model of which uses ticket sales for concerts by talent and merchandise sales as its revenue sources. The main service in the enter-tech business is INSPIX LIVE, a virtual concert app provided by Pulse Inc., a consolidated subsidiary of the Company, which makes it possible to experience a new kind of concert through VR (virtual reality) by combining smartphones and VR headsets for smartphones. Currently, the Company Group is proactively investing in the development of INSPIX LIVE in preparation for a large-scale update to transition to INSPIX WORLD, an SNS

in a virtual space specifically for concerts, in order to achieve a more ideal user experience. In the September 2020 term and the first quarter of the September 2021 term, although net sales in the enter-tech business grew, the Company is currently recording operating losses in the business because it is continuing to make proactive upfront investments; however, the Company aims to achieve profitability in the business in the future.

Amid increasing demand for new entertainment technology due to the global spread of COVID-19, the Company Group is proactively endeavoring to expand business as it believes that by developing concerts using this type of VR technology, a new music market will be established and will achieve significant growth over the next several years.

In regard to the matching app industry in which the Company Group operates, although Mr. Qian and Mr. Suzuki expect there to be certain restraints on direct interactions between people due to the influence of COVID-19, they believe that online dating needs will further increase and that the market will expand based on factors such as the Japan Business Federation stating in the policy proposal titled “Promotion of Countermeasures to Declining Birthrate for the Post-Coronavirus Era” released in October 2020 that new ways of meeting people, regardless of location, through the internet using smartphone apps are expected to help younger generations realize their desires to get married and have children and to serve as one countermeasure to the declining birthrate. However, due to the expansion of the market, competition in the matching app industry is growing more intense day by day as new participants enter the industry, and Mr. Qian and Mr. Suzuki believe that in order to continue the same growth as seen up to the present, it is necessary to engage in highly effective advertising and to increase the level of recognition of the Company Group’s service and acquire new users through means such as unique features that help differentiate it from other services, and that in order to achieve this, upfront investment is necessary.

Additionally, as stated above, INSPIX LIVE, the main service of the Company Group’s enter-tech business, is also undergoing a large-scale update to transition to INSPIX WORLD, which aims to create the first virtual concert platform, not yet achieved by any other company, as an SNS (social networking service) in a virtual space specifically for concerts that adds social functions for VR spaces to the existing VR concert experience. Mr. Qian and Mr. Suzuki believe that this has great potential to expand revenue sources but also that a large amount of investment is necessary to increase quality not only before beginning service but afterwards as well, and that there are elements of uncertainty in regard to the timing of the business launch and achieving profitability.

In the midst of this management environment, although Mr. Qian and Mr. Suzuki believe that since the Company’s listing in July 2014, it has earned trust and recognition from society as a listed company and has established its position in the industry in which it operates, they recognized the above management issues as problems to be addressed and considered that in order to achieve further growth and increased corporate value for the Company Group, it would be beneficial to utilize external management resources in addition to the Company’s own management efforts. Therefore, for the purpose of consulting in regard to the management measures and optimal capital structure of the Company Group, including what methods of utilizing external management resources might be possible, Mr. Qian, through a consultant with whom he is acquainted, had the opportunity to meet with Bain Capital in mid-October 2020 and exchanged information. Following that, as a means of resolving the types of management issues stated above, Mr. Qian and Mr. Suzuki have held multiple discussions with Bain Capital regarding the businesses and the business environment of the Company Group.

In those discussions, Mr. Qian and Mr. Suzuki again recognized that in order to achieve the further growth and increased corporate value of the Company Group over the medium to long

term, although it is extremely important for the growth strategy of the Company Group to swiftly and optimally allocate management resources (people, equipment, and capital) and to proactively make upfront investments in the matching business, enter-tech business, and other businesses, it might not be possible to make sufficient investments and carry out the growth strategy using only the management resources of the Company Group at present, and they therefore came to the understanding, which they shared with Bain Capital, that it is necessary to leverage the plentiful experience, results, human resources, and management know-how of Bain Capital and to build structures that can steadily implement measures in the short term. Additionally, Mr. Qian and Mr. Suzuki reached the conclusion that when operating both the matching business and the enter-tech business, which are at different business stages, as an integrated corporate group, it is possible that the value of each business will be underestimated. Moreover, Mr. Qian and Mr. Suzuki believed that even if these efforts to accelerate business growth present opportunities for substantial growth over the medium to long term, these measures may not contribute to the Company Group's profits over the short term, and in addition to the uncertain element of business execution that business will not develop as planned, there is a risk of bringing about a deterioration in financial condition from diminished profit levels and deteriorating cash flows, among other things. Therefore, they have reached the conclusion that if these measures are implemented while maintaining the Company's listing, there is an undeniable possibility that the Company shareholders will suffer detrimental effects in the form of a drop in the Share market price over the short term, which could make it difficult to implement these measures while maintaining the Company's listing.

Additionally, the businesses in which the Company Group engages are complex and diverse, and Mr. Qian and Mr. Suzuki recognized that there is a risk that the bold upfront investments contemplated by the management team of the Company, including Mr. Qian and Mr. Suzuki, to achieve the further growth of the Company Group might not be supported by all of the shareholders and might not be sufficiently valued by the capital market, and that it might become difficult to smoothly operate business based on the management policies of the management team due to differences in understanding regarding management strategies.

Consequently, in mid-November 2020, fearing a deterioration of the Company Group's profitability over the short term and believing that curtailing or postponing upfront investments in each business could hinder the Company's growth over the medium to long term and lead to a weakening of the Company's competitiveness and earnings capacity, Mr. Qian and Mr. Suzuki came to the conclusion that taking the Company's shares private, streamlining business operations by operating each of the Company Group's businesses separately and independently, creating new and stable management structures that utilize external management resources, enabling agile and flexible decision-making by making Mr. Qian, Mr. Suzuki, and a company contributed to by Bain Capital, which envisages the same type of growth strategies as Mr. Qian and Mr. Suzuki, the only shareholders of the Company, and actively endeavoring to develop the Company's business would be the best means for the Company Group to swiftly address management issues and continuously raise corporate value from a long-term perspective without being affected by short-term fluctuations in its business performance. Conversely, even if the Company's shares are taken private, as stated above, Mr. Qian and Mr. Suzuki believe that the Company has already established its position in the industry in which it operates, and so they have determined that any negative effects from the privatization of the Company's shares on the Company's ability to secure human resources, expand its transaction partners, or the like will not be large; therefore, Mr. Qian and Mr. Suzuki believe that the demerits of the privatization will be limited.

Mr. Qian and Mr. Suzuki have not used an auction process in order to select a partner because

of information management considerations as a listed company and because based on the business environment of the Company, in which changes occur quickly, the amount of time that can be spared for a new third party to gain a deeper understanding of the Company's complex and diverse businesses and establish a relationship of trust with the Company is limited. However, Mr. Qian and Mr. Suzuki focused on various characteristics of Bain Capital and concluded that Bain Capital would be ideal as a provider of management resources for the Company Group. Specifically, Bain Capital has an extensive track record and experience, investing in more than 450 companies around the world, in addition to which it has a track record of investing in fields highly related to that of the Company (within Japan, particularly hey Inc., which engages in e-commerce website operation and cashless payment, ASATSU-DK Inc., a general advertising agency, and Cheetah Digital Co., Ltd. (currently EmberPoint Co., Ltd.), which provides email delivery services, among others). Unlike other investment companies, it has a definite advantage that since it retains a lot of professionals who have experience in management consulting work or business operation companies, it is able to utilize their background and, if needed, dispatch some of its competent and capable professionals with extensive experience to each site to develop business strategies and support improving the business of investment targets, in addition to which it has a deep knowledge of the Company Group's businesses and future growth strategies.

Thereafter, as a result of considering the effects of the spread of COVID-19 on business, Mr. Qian and Mr. Suzuki confirmed that there have not been any significant negative changes in the business conditions of the Company or the environment surrounding it and conversely believe that as stated above, online communication between people will accelerate due to the effects of COVID-19. They therefore consider it an opportunity to expand business and determined that in the industry in which the Company operates, where changes occur quickly, implementing the Transaction promptly will contribute to increasing the corporate value of the Company.

The Tender Offeror Group commenced discussions in mid-November 2020 regarding the implementation of a tender offer as a part of the Transaction and engaged in repeated discussions regarding the Company's optimal management and basic policies after implementation of the Transaction on the basis of Mr. Qian and Mr. Suzuki jointly managing the Company with support from Bain Capital.

Subsequently, the Tender Offeror Group continued its examination of the Company and submitted to the Company a letter of intent with an official expression of intent concerning taking the Company's shares private through the Tender Offer (the "Written Proposal") on December 24, 2020. The Written Proposal did not include any proposals regarding the conditions of the Tender Offer, including whether there would be a minimum number of shares to be purchased.

Taking into account the progress at that time of the due diligence that was performed from the middle to the end of January 2021 and other factors, the Tender Offeror Group determined that the implementation of the Transaction is highly feasible, and on February 4, 2021, based on factors such as a multi-faceted and comprehensive analysis of the Company's business and finances, examples of premiums in past instances of tender offers for shares by persons other than the issuer, and trends in the market price of the Company over a certain past period, the Tender Offeror Group proposed to the Company a Tender Offer Price in the Tender Offer of JPY 1,900, and as the exercise prices per Share for the Fourth Stock Acquisition Rights and Twelfth Stock Acquisition Rights are less than the JPY 1,900 proposed as the Tender Offer Price, the Tender Offeror Group proposed purchase etc. prices per Stock Acquisition Right in the Tender Offer (the "Stock Acquisition Right Purchase Prices") of JPY 2,250 for the Fourth Stock Acquisition Rights (calculated by multiplying JPY 1,125, which is the difference between

the proposed Tender Offer Price and JPY 775 (the exercise price per Share of the Fourth Stock Acquisition Rights) by 2, which is the number of Shares subject to each stock acquisition right) and JPY 133,400 for Twelfth Stock Acquisition Rights (calculated by multiplying JPY 667, which is the difference between the proposed Tender Offer Price and JPY 1,233 (the exercise price per Share of the Twelfth Stock Acquisition Rights) by 200, which is the number of Shares subject to each stock acquisition right) and, as the exercise prices per Share for the Thirteenth Stock Acquisition Rights, Fifteenth Stock Acquisition Rights, and Sixteenth Stock Acquisition Rights exceed the proposed Tender Offer Price (Thirteenth Stock Acquisition Rights: JPY 2,325; Fifteenth Stock Acquisition Rights: JPY 5,000; Sixteenth Stock Acquisition Rights: JPY 7,000 at minimum), proposed a Stock Acquisition Rights Purchase Price of JPY 1 for the Thirteenth Stock Acquisition Rights, Fifteenth Stock Acquisition Rights, and Sixteenth Stock Acquisition Rights. Following that, while the Tender Offeror Group and the Company continued discussions, on February 9, 2021, the Company requested an increase to the Tender Offeror Price and the Stock Acquisition Right Purchase Prices for the reason that the level of the premiums added to the proposed prices was below the level of premiums in similar instances of MBOs, and the Tender Offeror Group sincerely considered the reason for the Company's request and on February 15, 2021 made a new proposal in which the Tender Offer Price would be JPY 2,300 and the Stock Acquisition Right Purchase Prices would be JPY 3,050 for the Fourth Stock Acquisition Rights, JPY 213,400 for the Twelfth Stock Acquisition Rights, JPY 1 for the Thirteenth Stock Acquisition Rights, JPY 1 for the Fifteenth Stock Acquisition Rights, and JPY 1 for the Sixteenth Stock Acquisition Rights. However, on February 19, 2021, the Company again requested an increase to the Tender Offer Price and the Stock Acquisition Right Purchase Prices for the reason that the Company "does not believe a sufficient premium has been added taking into account factors such as recent trends in the price of the Shares and the level of premiums in similar instances of MBOs." Taking that request into account, on February 24, 2021, the Tender Offeror Group made a new proposal in which the Tender Offer Price would be JPY 2,400 and the Stock Acquisition Right Purchase Prices would be JPY 3,250 for the Fourth Stock Acquisition Rights, JPY 233,400 for the Twelfth Stock Acquisition Rights, JPY 15,000 for the Thirteenth Stock Acquisition Rights, JPY 1 for the Fifteenth Stock Acquisition Rights, and JPY 1 for the Sixteenth Stock Acquisition Rights. Following that, as the Tender Offeror Group was requested by the Company on February 26, 2021 to once again raise the Tender Offer Price and the Stock Acquisition Right Purchase Prices, the Tender Offeror Group made a new proposal on March 4, 2021 in which the Tender Offer Price would be JPY 2,800 and the Stock Acquisition Right Purchase Prices would be JPY 4,050 for the Fourth Stock Acquisition Rights, JPY 313,400 for the Twelfth Stock Acquisition Rights, JPY 95,000 for the Thirteenth Stock Acquisition Rights, JPY 1 for the Fifteenth Stock Acquisition Rights, and JPY 1 for the Sixteenth Stock Acquisition Rights. However, the Tender Offeror Group received a request from the Company on the same day to once again raise the Tender Offer Price and the Stock Acquisition Right Purchase Prices. Taking that request into account, on the same day, the Tender Offeror Group made a new proposal in which the Tender Offer Price would be JPY 3,000 and the Stock Acquisition Right Purchase Prices would be JPY 4,450 for the Fourth Stock Acquisition Rights, JPY 353,400 for the Twelfth Stock Acquisition Rights, JPY 135,000 for the Thirteenth Stock Acquisition Rights, JPY 1 for the Fifteenth Stock Acquisition Rights, and JPY 1 for the Sixteenth Stock Acquisition Rights, and on the same day, the Tender Offeror Group received a response from the Company stating that the Company accepted the proposal of the Tender Offeror Group on the condition that the final decision would be made following a resolution of the Company's Board of Directors after taking into account the report of the Special Committee (as defined in "(iii) Decision-Making Process behind the Company's

Decision to Support the Tender Offer, and the Reasons Therefor” below).

Following repeated discussions with the Company regarding the conditions of the Transaction, including the Tender Offer Price, and other matters, the Tender Offeror Group decided on March 5, 2021 to commence the Tender Offer as a part of the Transaction with a Tender Offer Price of JPY 3,000 and Stock Acquisition Right Purchase Prices of JPY 4,450 for the Fourth Stock Acquisition Rights, JPY 353,400 for the Twelfth Stock Acquisition Rights, JPY 135,000 for the Thirteenth Stock Acquisition Rights, JPY 1 for the Fifteenth Stock Acquisition Rights, and JPY 1 for the Sixteenth Stock Acquisition Rights.

Concurrently with the discussions regarding the Tender Offer Price and Stock Acquisition Right Purchase Prices, on February 12, 2021, the Tender Offeror Group proposed to the Company that it would not set a minimum number of shares to be purchased in the Tender Offer. Following that, on February 13, 2021, the Tender Offeror proposed implementing the Dividends in Kind. In response to these proposals, on February 19, 2021, the Special Committee confirmed the reasons for not setting a minimum number of shares to be purchased, the policy for support by Bain Capital in the case where the Company’s listing is maintained, the reasons why the implementation of the Dividends in Kind contributes to increasing the corporate value of the Company Group, and other such matters, and the reasons for each of the foregoing were explained as set out in “(i) Overview of the Tender Offer” above.

Additionally, concurrently with the discussions with the Company, the Tender Offeror Group commenced discussions with the Non-accepting Shareholders excluding the Non-tendering Friend Shareholders in mid-January 2021. As the Tender Offeror Group did not intend to set a minimum number of shares to be purchased, the total number of the voting rights of the Company held by the Tender Offeror and the Non-accepting Shareholders excluding the Non-tendering Friend Shareholders may be less than two-thirds of the voting rights of all shareholders of the Company after the completion of the Tender Offer, as a result of which it is possible that approval for the proposal relating to the Share Consolidation is not able to be obtained at the Extraordinary Shareholders’ Meeting, in which case the listing of the Shares will be maintained. Therefore, the Tender Offeror Group requested the Non-accepting Shareholders excluding the Non-tendering Friend Shareholders to either tender their Shares in the Tender Offer or to not tender their Shares in the Tender Offer and cooperate in the Squeeze-out Process. Taking into consideration the possibility that the Squeeze-out Process would not be completed and the listing of the Shares would be maintained, in mid-January 2021, the Non-accepting Shareholders excluding the Non-tendering Friend Shareholders, while not tendering their Shares in the Tender Offer, wished to cooperate in the Squeeze-out Process, and therefore on March 5, 2021, the Tender Offeror and the Non-accepting Shareholders excluding the Non-tendering Friend Shareholders executed Non-tender Agreements. Additionally, the Tender Offeror Group commenced discussions with the Non-tendering Friend Shareholders in early March 2021 and, in the same way as with the Non-accepting Shareholders excluding the Non-tendering Friend Shareholders, requested the Non-tendering Friend Shareholders to either tender their Shares in the Tender Offer or to not tender their Shares in the Tender Offer and cooperate in the Squeeze-out Process. Taking into consideration the possibility that the Squeeze-out Process would not be completed and the listing of the Shares would be maintained, the Non-tendering Friend Shareholders, while not tendering their Shares in the Tender Offer, also wished to cooperate in the Squeeze-out Process, and therefore on March 5, 2021, the Tender Offeror and the Non-tendering Friend Shareholders executed Non-tender Agreements. For an overview of the Non-tender Agreements, refer to “(2) Non-tender Agreement” in “4. Matters Relating to Material Agreements Concerning the Tender Offer between the Tender Offeror and Company Shareholders and Directors” below.

(b) Post-Tender Offer Managerial Policy

The Tender Offeror Group's thoughts on the Company's managerial policy following consummation of the Transaction are as set forth below.

In the matching app industry, although the Tender Offeror Group expects the market to expand in the future due to online matching services becoming more common, it believes it is important to establish industry-leading brand power and services in order to succeed in competition with other services and use the trust and positive opinions of customers as a foundation, and that in order to achieve that, measures such as proactive investments in rapid service improvements, the further strengthening of operations, and effective branding are important.

Additionally, in regard to other businesses including the enter-tech business, the Tender Offeror Group believes it is important to promote the upfront investments currently carried out by the Company and optimally allocate the management resources of people, equipment, and capital within the Company Group.

Additionally, as stated in "(i) Overview of the Tender Offer" above, although the matching business in which with Inc. is engaged has already established a revenue base, the enter-tech business and other businesses have not achieved profitability at present, and funding demands for upfront investments for business expansion are continually arising. The Tender Offeror Group believes that as the Company Group engages in businesses that are at different business stages, it is possible that the value of each business will be underestimated. Therefore, through the Dividends in Kind, by splitting off with Inc., which engages in the matching business, from the Company Group and separately and independently operating the matching business and the Company Group's other business, including the enter-tech business, the Tender Offeror Group believes that for the matching business as well as the enter-tech business and other businesses, growth suitable for their respective business stages can be expected. After the Dividends in Kind, only the Company Group's other businesses, including the enter-tech business, will remain with the Company Group; however, growth can be expected for the businesses of the Company Group through the implementation of upfront investments in measures such as updates for INSPIX WORLD using the funds received from the Additional Capital Increase by the Tender Offeror, and the Tender Offeror Group expects that it will also become possible to consider procuring funds from external investors. Mr. Qian and Mr. Suzuki intend to remain involved in the management of the Company Group and with Inc. after the Dividends in Kind.

Based on the above, Mr. Qian and Mr. Suzuki expect to take the following specific measures following the consummation of the Transaction, and Bain Capital has agreed to provide the necessary management resources.

(a) Strengthening of business management foundations

Mr. Qian and Mr. Suzuki believe that by strengthening business management foundations through measures such as tracking tied to user IDs and reviewing KPIs, it will be possible to accurately understand user trends and LTV (lifetime value) based on customer segmentation and to maximize the effects of marketing. Additionally, Bain Capital has a track record of investing in fields highly related to that of the Company, such as the e-commerce website operation and cashless payment business, the general advertising agency business, and the email delivery service business, and Bain Capital believes that it can leverage the know-how and experience it has developed through its previous investments to strengthening the business management foundations of the Company.

(b) Increase service recognition and acquire new customers in matching business

Mr. Qian and Mr. Suzuki believe that one of the strengths of the Company Group's matching business is that it has achieved a high share particularly among users seeking serious relationships by providing a high-quality, differentiated online matching service that utilizes user data based on psychological tests. Although Mr. Qian and Mr. Suzuki believe that further growth can be expected in the business in the future as the online matching service market expands, the matching app industry is becoming more competitive due to many companies newly entering the market, and Mr. Qian and Mr. Suzuki believe that in order for the Company Group to maintain and increase its competitiveness, it is necessary to improve brand power while increasing service recognition and thereby acquire new customers by making upfront investments for purposes such as more actively developing promotions that utilize all types of media, all performed under a management structure in which the businesses conducted by the Company Group other than the matching business are operated separately and independently. In addition, based on the business management foundations developed through the measures in (a) above, Mr. Qian and Mr. Suzuki intend to reduce the rate at which members quit by accurately understanding user needs and endeavor to expand MAU (monthly active users) through the complementary measures of acquiring new users and reducing quitting rates.

(c) Maximize user LTV in matching business

In the matching business, Mr. Qian and Mr. Suzuki believe it is possible to increase ARPU (average revenue per user) and the ratio of paying users by adding a new payment model based on diverse functions and services in addition to the current payment model and by increasing customer satisfaction through means such as individually optimized user follow-up based on the business management foundations developed through the measures in (a) above. Additionally, Mr. Qian and Mr. Suzuki intend to take measures to maximize user LTV through cross-sales of peripheral products related to the matching business and the provision of incidental services.

(d) Business expansion through M&A

Mr. Qian and Mr. Suzuki believe that as many companies are newly participating in the online matching app industry, opportunities for M&A within the industry will increase in the future. Mr. Qian and Mr. Suzuki believe that it is possible to proactively expand business foundations and business fields through M&A, including in surrounding fields, and achieve further growth over the medium to long term. Additionally, Mr. Qian and Mr. Suzuki expect to realize M&A transactions more certainly and quickly by leveraging the M&A know-how cultivated by Bain Capital and by Bain Capital providing support for communications regarding, and carrying out, M&A transactions and for creating synergy through post-M&A integration. At present, Mr. Qian and Mr. Suzuki do not intend to transfer to a third party any businesses in which the Company Group is engaged other than the matching business.

(e) Establish INSPIX WORLD platform

Mr. Qian and Mr. Suzuki intend to continue the large-scale update currently being performed by the Company to transition to INSPIX WORLD and to provide support for establishing a business platform and for development, operations, and collaboration to maximize value. Mr. Qian and Mr. Suzuki expect to establish a new music market by increasing the quality of the platform through deepening collaboration with current development partners and engaging in collaboration with a larger number of outside partners moving forward.

(f) Proactive investment in each business

As stated in regard to the measures in (a) through (e) above, Mr. Qian and Mr. Suzuki believe that major upfront investments are necessary for measures such as strengthening business management foundations, developing promotions to increase service recognition, engaging in M&A in order to strengthen businesses related to online matching services, and carrying out the update to transition to INSPIX WORLD. Bain Capital intends to provide support when procuring funds for these upfront investments.

The Transaction corresponds to a so called management buyout (MBO), and Mr. Qian and Mr. Suzuki intend to remain involved in the Company management even after completion of the Tender Offer.

Additionally, as stated in “(4) Shareholders Agreement” in “4. Matters Relating to Material Agreements Concerning the Tender Offer between the Tender Offeror and Company Shareholders and Directors” below, Mr. Qian, Mr. Suzuki, BCPE Wish Cayman, and the Tender Offeror executed a shareholders agreement (the “Shareholders Agreement”) on March 5, 2021, in which they have agreed that after the completion of the Transaction, Mr. Qian and Mr. Suzuki together and BCPE Wish Cayman will nominate the same number of directors of the Company (Mr. Qian and Mr. Suzuki shall agree on and jointly nominate the same number of directors as BCPE Wish Cayman, and Mr. Qian and Mr. Suzuki themselves are planned to be nominated). However, other than Mr. Qian and Mr. Suzuki, the candidates for director of the Company after the completion of the Transaction have not been determined at present, and with the exception of Mr. Qian and Mr. Suzuki, the Tender Offeror has not reached any agreement concerning post-Tender Offer appointment with any of the Company’s directors. The Tender Offeror plans to determine the particulars of the post-Tender Offer management structure including the composition of Company officers through discussions with the Company after the completion of the Transaction.

(iii) Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor

As set forth in “(a) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer” in “(ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” above, the Company received the Written Proposal from the Tender Offeror Group on December 24, 2020, and in considering the particulars of these intentions, as set forth in “(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Prevent Conflict of Interest, and Other Measures to Ensure Fairness of the Tender Offer” below, on December 30, 2020, in order to ensure the fairness of the Tender Offer Price and the fairness of other conditions of the Transaction including the Tender Offer, the Company appointed Mori Hamada & Matsumoto as legal advisor, and Deloitte Tohmatsu Financial Advisory Godo Kaisha (“Deloitte Tohmatsu Financial Advisory”) as financial advisor and third-party valuation agency.

In addition, on December 30, 2020 the Company established a special committee to review the proposal for the Transaction set forth in the Written Proposal (with respect to the member composition and specific activities of the special committee, see “(i) Establishment of a Special Committee at the Company; Procuring a Written Report” in “(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Prevent Conflict of Interest, and Other Measures to Ensure Fairness of the Tender Offer” below; the “Special Committee”).

The Company, while receiving advice from Mori Hamada & Matsumoto and Deloitte Tohmatsu Financial Advisory in light of the purpose of the Transaction and other aspects of the overview of the Tender Offer set forth in the Written Proposal, the impact of the Transaction on the Company,

the post-Transaction managerial policies and recent share price trends, and on the basis of negotiation policies and opinions, instructions, and requests etc. regarding material aspects of the negotiations confirmed in advance by the Special Committee, engaged in consultations with the Tender Offeror Group on multiple occasions, before conducting a review of the appropriateness of the Transaction.

With respect to the Tender Offer Price, after receiving on February 4, 2021 a proposal from the Tender Offeror Group with a Tender Offer Price of JPY 1,900 and Stock Acquisition Right Purchase Prices of JPY 2,250 for Fourth Stock Acquisition Rights, JPY 133,400 for Twelfth Stock Acquisition Rights, JPY 1 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights, the Company, while receiving the advice of Deloitte Tohmatsu Financial Advisory, in view of the share value calculation results report for the Shares received from Deloitte Tohmatsu Financial Advisory and the opinion of the Special Committee, on February 9, 2021 made a request to the Tender Offeror Group to increase the Tender Offer Price and the Stock Acquisition Right Purchase Prices for the reason that the level of the premiums added to the proposed prices was below the level of premiums in similar instances of MBOs and engaged in consultations and negotiations with the Tender Offeror Group on several occasions regarding the conditions of the Transaction, and on February 15, 2021 received a proposal with a Tender Offer Price of JPY 2,300 and Stock Acquisition Right Purchase Prices of JPY 3,050 for Fourth Stock Acquisition Rights, JPY 213,400 for Twelfth Stock Acquisition Rights, JPY 1 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights. After this as well, the Company continued to engage in consultations and negotiations with the Tender Offeror Group; as a result, on February 24, 2021 the Company received from the Tender Offeror Group a proposal with a Tender Offer Price of JPY 2,400 and Stock Acquisition Right Purchase Prices of JPY 3,250 for Fourth Stock Acquisition Rights, JPY 233,400 for Twelfth Stock Acquisition Rights, JPY 15,000 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights, and on March 4, 2021 the Company received from the Tender Offeror Group a proposal with a Tender Offer Price of JPY 2,800 and Stock Acquisition Right Purchase Prices of JPY 4,050 for Fourth Stock Acquisition Rights, JPY 313,400 for Twelfth Stock Acquisition Rights, JPY 95,000 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights. After that, on March 4, 2021, the Company requested the Tender Offeror Group to increase the Tender Offer Price and Stock Acquisition Right Purchase Prices on the ground that the proposed price was less than JPY 2,950, which is the exercise price for the Ninth Stock Acquisition Rights issued on June 2, 2016 (a share split was conducted on December 1, 2017 at the ratio of two shares per share of common stock, and this exercise price is based on the assumption that the stock split was conducted before the exercise of the Ninth Stock Acquisition Rights) and is the highest price for the stock acquisition rights of the Company that have been actually exercised, and the Company engaged in discussions and negotiations with the Tender Offeror Group on the terms and conditions of the Transaction on several occasions. On March 4, 2021, the Company received a proposal with a Tender Offer Price of JPY 3,000 and Stock Acquisition Right Purchase Prices of JPY 4,450 for Fourth Stock Acquisition Rights, JPY 353,400 for Twelfth Stock Acquisition Rights, JPY 135,000 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights, and a proposal that the foregoing proposal is conditional upon no minimum number of shares to be purchased in the Tender Offer being set. The Company confirmed the appropriateness of such proposal with the Special Committee, heard the opinion etc. of Deloitte Tohmatsu Financial Advisory, and conducted a careful review, while also considering the content of the share valuation report (“Share Valuation Report”) obtained from Deloitte Tohmatsu Financial Advisory on March 4, 2021, and as a result, determined that Tender

Offer Price was appropriate because it included a substantial premium over the market price and was greater than the maximum amount of the range of the calculation results discussed below by Deloitte Tohmatsu Financial Advisory using the discounted cash flow analysis (“DCF Method”), among other things. On February 12, 2021, the Company received from the Tender Offeror Group a proposal that a minimum number of shares to be purchased in the Tender Offer will not be set. On February 24, because a sufficient premium to the latest market price had not been added to the proposed price at that time, the Company and the Special Committee requested the Tender Offeror Group to set a minimum number of shares that satisfies a majority of minority condition and continued discussions and negotiations on the number of shares to be purchased in the Tender Offer. Then, the Company received a final proposal for the Tender Offer Price (JPY 3,000) on the condition that a minimum number of shares to be purchased in the Tender Offer will not be set. Given that the Tender Offer Price is at a level that may be considered to be appropriate as stated above, the Company and the Special Committee determined to accept the final proposal from the Tender Offeror Group. In this manner, the Company has continued to negotiate with the Tender Offeror Group regarding the Tender Offer Price.

While receiving necessary legal advice from Mori Hamada & Matsumoto regarding the method and process of decision-making by the Board of Directors including the procedures relating to the Transaction and other matters to note, the Company received a written report dated March 5, 2021 from the Special Committee (the “Written Report”) (for an overview of the Written Report and the specific activities of the Special Committee, see “(i) Establishment of a Special Committee at the Company; Procuring a Written Report” in “(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Prevent Conflict of Interest, and Other Measures to Ensure Fairness of the Tender Offer” below). Then, in consideration of the legal advice received from Mori Hamada & Matsumoto, as well as the content of the Share Valuation Report obtained from Deloitte Tohmatsu Financial Advisory, and giving as much weight as possible to the Written Report submitted by the Special Committee, the Company conducted careful consultations from the standpoint of whether the Transaction could ensure further improvement in the Company’s corporate value and the benefits that general shareholders would enjoy through the implementation of the Transaction through fair procedures.

With respect to the matching business, while it is expected that the market will expand as a result of the internet and smartphones becoming more popular and online matching services becoming more common, the Company considers that it is important to establish industry leading brand power and services and to develop solid customer trust and reputation in order to compete successfully with other services, and in order to realize these goals, it is necessary to proactively invest in the prompt improvement of services, further reinforcement of operations, and effective branding such as development of promotions utilizing various media. With respect to the enter-tech business, while the Company is continuing the large-scale update to transition to “INSPIX WORLD” at present and believes that it provides large potential for expanding revenue sources, the Company is aware that major investment is necessary to expand revenue sources, and that in other businesses, proactive investment in the creation of new businesses is also necessary. Under this business environment, the Company believes that it is essential to swiftly and optimally allocate the management resources of people, equipment and capital and proactively promote upfront investment in each business in order to achieve the further growth of the Company Group.

The Tender Offeror Group indicated in the course of the above consultations and negotiations that, as discussed in “(b) Post-Tender Offer Managerial Policy” in “(ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer;

Post-Tender Offer Managerial Policy” above, after the Company’s shares are taken private, in addition to the measures to be taken by Mr. Qian and Mr. Suzuki, the Tender Offeror intends to provide know-how in enhancing the value of investment targets that Bain Capital has accumulated, provide various assistance including assisting in financing for large-scale upfront investments, and maximize the potential value of the Company’s business. Specifically, the Tender Offeror intends to take measures including (a) strengthening business management foundations, (b) increasing service recognition and acquiring new customers in the matching business, (c) maximizing user LTV in the matching business, (d) expanding business through M&A, (e) establishing the INSPIX WORLD platform, and (f) proactively investing in each business. When the Tender Offeror Group stated these intentions, the Company determined that these kinds of policies and measures considered by the Tender Offeror Group are closely aligned with the aims of the Company and that leveraging the advanced management know-how that Bain Capital possesses and cooperating with Bain Capital will contribute to increasing the corporate value of the Company over the medium to long term.

Further, with respect to the matching business, the Company thinks that during and after the coronavirus pandemic, needs for meeting people through online matching services will further increase as there will be certain restraints on direct interactions between people. With respect to the enter-tech business, the Company thinks that demand for new entertainment technologies will increase due to the spread of COVID-19 and that by developing concerts using the VR technology on which the Company Group focuses, which allows users to experience concerts from their own homes, a new music market will be established and will achieve significant growth over the next several years. However, although the spread of COVID-19 has triggered the expansion of markets in the matching business and enter-tech business, the Company anticipates an increase in new market participants and greater competition. Therefore, the Company believes that it is necessary to conduct the Transaction and take various measures as soon as possible during the ongoing coronavirus pandemic in order to succeed against competition.

Further, as stated above, the Company thinks that, under the business environment surrounding the Company Group, it is essential to swiftly and optimally allocate the management resources of people, equipment and capital and proactively promote upfront investment in each business in order to achieve the further growth of the Company Group, and in the short term, the proactive upfront investment to accelerate the growth of each business poses the risk of giving rise to a deterioration in financial condition from diminished profit levels and deteriorating cash flows, among other things, and as a result, it cannot be denied that the market price of the Shares could fall and the Company’s shareholders would be adversely impacted in the short term. Even if proactive upfront investment is executed as described above, because there are uncertainties in terms of the timing of business establishment and achieving profitability, the Company thinks it is possible that the Company’s shareholders would be subsequently adversely impacted by falling of such market price.

For this reason, the Company determined that the best option for achieving improved corporate value of the Company is to provide all shareholders with an opportunity to sell their shares without suffering adverse effects in the short term, taking the Company’s shares private to avoid suffering from the short-term assessments of the stock market, build a management system capable of agile decision-making, improve management flexibility, and utilize the management support of Bain Capital to the maximum extent.

If the Company’s shares are taken private, the ability to secure superior human resources and expand business partners, etc. stemming from the greater social trust and name recognition that the Company has enjoyed as a public company could be impacted, and it will cease to be possible to obtain financing through equity finance in capital markets.

However, in light of the recent increase in costs for maintaining listing, it is difficult to find value

in continuing to maintain listing moving forward. Additionally, in regard to the Company Group's ability to secure superior human resources and expand business partners stemming from greater social trust and name recognition, the Company believes that as it is increasingly able to achieve this through its business activities, the necessity for maintaining share listing decreases in proportion thereto. Moreover, although it will cease to be possible to obtain financing through equity finance in capital markets when the Company's shares are taken private, considering that Bain Capital intends to assist in financing for the Company's large-scale upfront investments, the Company believes that the impact of this demerit on the Company's business will not be significant. Accordingly, the Board of Directors determined that the advantages of taking the shares private were greater than the disadvantages. In view of the foregoing, the Board of Directors determined that taking the Company's shares private through the Transaction, which includes the Tender Offer, will contribute to increasing the corporate value of the Company Group.

Because the Non-accepting Shareholders are expected to approve the proposals relating to the Share Consolidation, etc. at the Extraordinary Shareholders' Meeting, in addition to the shares that the Non-accepting Shareholders will not tender in the Tender Offer (total number of shares held: 7,631,500 shares; shareholding ratio: 46.48%), if the Tender Offeror acquires 3,314,266 shares (shareholding ratio: 20.19%) through the Tender Offer, then combining the shares held by the Tender Offeror and the Non-accepting Shareholders, the Tender Offeror will have acquired shares representing the two-thirds of voting rights necessary for the approval of the Share Consolidation, and it will become certain that the Share Consolidation will be conducted. However, if the number of the shares acquired is less than that number of shares, there is a possibility that the listing of the Company will be maintained. If the listing of the Shares is maintained, the ownership ratio of the Shares held by the Tender Offeror is expected to be approximately 20% at the maximum as stated above, and even at that maximum ownership ratio, the Tender Offeror will only be the second largest shareholder of the Company. In reality, because the ownership ratio of the Tender Offeror in the case of the listing being maintained is expected to be considerably lower than the above, Bain Capital will not gain control of the Company through the Tender Offer, and even in that situation, the Tender Offeror intends to utilize the management resources and networks of Bain Capital to the extent possible in order for the Company to execute management measures. It is believed that such support will contribute to increasing the Company's corporate value. Therefore, the Company believes it overall advantageous for the Company to conduct the series of transactions in the Transaction, including the Tender Offer. As such, although a minimum number of shares to be purchased has not been set in the Tender Offer, the Company believes that it is a transaction that is advantageous for the Company.

Further, in light of factors including that the Tender Offer Price (JPY 3,000) (i) in relation to the calculation results for the Share value by Deloitte Tohmatsu Financial Advisory set forth in "(3) Matters Relating to Calculation" below, is greater than the maximum amount of the range of the calculation results based on the market price analysis and the DCF Method; (ii) represents a premium of 67.88% (rounded to the second decimal place; hereinafter, the same applies to premium values (expressed as a percentage) on the share price) on JPY 1,787, which is the closing price of the Shares on the TSE Mothers Market on March 4, 2021, the business day immediately preceding the date of the announcement of the Tender Offer, a premium of 37.11% on JPY 2,188 (rounded to the nearest whole yen; hereinafter, the same applies to simple averages of closing prices), which is the simple average closing price for the one-month period up to March 4, 2021, a premium of 74.83 % on JPY 1,716, which is the simple average closing price for three-month period up to such date, and a premium of 75.54 % on JPY 1,709, which is the simple average closing price for the six-month period up to such date, and it can be concluded that a premium is being added that is greater than

the average premiums in other recent MBO cases; (iii) is found to pay consideration to the interests of general shareholders in that, among other things, the measures set forth in “(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Prevent Conflict of Interest, and Other Measures to Ensure Fairness of the Tender Offer” have been taken to avoid any conflicts of interest; (iv) was decided after the above measures to eliminate conflicts of interest were taken and the Company and the Tender Offeror engaged in discussions and negotiations on several occasions, namely, after the Company and the Tender Offeror sincerely and continuously engaged in discussions and negotiations while referring to the calculation results for the share value of the Shares by Deloitte Tohmatsu Financial Advisory, discussions with the Special Committee, and legal advice received from Mori Hamada & Matsumoto, etc.; (v) realizes a significant increase in the price proposal for the Tender Offer at the request of the Special committee; and (vi) the Absorption-type Merger and the Dividends in Kind that are planned to be conducted as part of the Transaction (a) will not be disadvantageous to general shareholders because they are planned to be conducted in a situation where there are no general shareholders and (b) are unlikely to be disadvantageous to the Company Group’s stakeholders, including the employees, because the Company believes that as the business environments of the matching business and enter-tech business, which are the main businesses of the Company Group, differ, from the perspective of increasing the overall corporate value of those businesses, it is desirable to seek to optimize management resources in each business, while the matching business operated by with Inc. and the enter-tech business are operated nearly independently, and there are a limited number of employees engaged in both businesses, the Board of Directors determined regarding the Transaction that the Transaction including the Tender Offer can be expected to improve the Company’s corporate value, that the Tender Offer Price and other conditions for the Tender Offer are appropriate with respect to the Company’s shareholders, and that the Tender Offer provides the Company’s shareholders with a reasonable opportunity to sell their Shares.

In light of the foregoing, at the meeting of the Board of Directors held today, the directors participating in deliberations and voting (four directors (Mr. Kenji Kotake, Mr. Eiji Watanabe and Ms. Ayumi Nakazawa, who are Audit & Supervisory Committee members, and Mr. Koichiro Natsume) out of six directors in total, excluding Mr. Qian and Mr. Suzuki) unanimously passed a resolution to state an opinion in favor of the Tender Offer and to recommend that the Company’s shareholders tender their shares etc. in the Tender Offer.

With respect to the Stock Acquisition Rights, the Company also passed a resolution to recommend that because the Stock Acquisition Right Purchase Prices of the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, the Thirteenth Stock Acquisition Rights were set at the amounts obtained by multiplying the difference between Tender Offer Price of JPY 3,000 and the exercise price per Share that is the object of the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, the Thirteenth Stock Acquisition Rights by the number of common shares subject to the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, the Thirteenth Stock Acquisition Rights and were calculated on the basis of the Tender Offer Price, the Stock Acquisition Right Holders who hold the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, the Thirteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer, but because the Stock Acquisition Right Purchase Prices of the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights were set to be JPY 1 on the ground that the exercise price per Share exceeds JPY 3,000, which is the Tender Offer Price, to leave the decision on whether the Stock Acquisition Right Holders who hold the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer to the judgment of those Stock Acquisition Right Holders.

It should be noted that Mr. Qian and Mr. Suzuki are shareholders of the Tender Offeror and

expected to remain engaged in the management of the Company after the completion of the Tender Offer and to continue to hold the Shares after the completion of the Tender Offer. Mr. Qian and Mr. Suzuki therefore have conflicts of interest with the Company in relation to the Transaction, and thus, they did not in any way participate in the deliberations or voting in the above meeting of the Board of Directors, nor did they have any role in the consultations and negotiations with the Tender Offeror from the Company's position.

(3) Matters Relating to Calculation

(i) Name of Valuation Agency, Relationship of Said Agency to Company and the Tender Offeror, etc.

For the formal manifestation of its opinion in regard to the Tender Offer, the Company asked Deloitte Tohmatsu Financial Advisory to conduct a share valuation for Shares as a third-party valuation agency independent of the Company, the Tender Offeror, the Non-accepting Shareholders, and Accepting Shareholder (collectively, "Tender Offeror-Related Persons"), and obtained the Share Valuation Report from said company on March 4, 2021. Deloitte Tohmatsu Financial Advisory does not fall under a related person of any Tender Offeror-Related Person and does not have any material interests in regard to the Tender Offer.

Also, only a fixed amount of remuneration, which is payable regardless of whether the Transaction succeeds, will be paid to Deloitte Tohmatsu Financial Advisory, and no contingency remuneration subject to completion of the Transaction will be paid.

(ii) Overview of Calculations

Deloitte Tohmatsu Financial Advisory considered multiple potential share valuation methods to be adopted for the valuation of Shares, and then, on the assumption that the Company is a going concern and that a multifaceted evaluation of the Share value would be appropriate, calculated said value per Share using: market price analysis, because Shares are listed on the TSE Mothers Market and thus have a market price, and DCF Method, to ensure that the circumstances of the Company's future business activities would be reflected in the calculation. It should be noted that since the Tender Offeror and the Company have carried out measures to ensure the fairness of the Tender Offer Price and the Stock Acquisition Right Purchase Prices and measures to prevent conflicts of interest as stated in "(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Prevent Conflict of Interest, and Other Measures to Ensure Fairness of the Tender Offer" below, the Company has not obtained an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from Deloitte Tohmatsu Financial Advisory.

The ranges of values per Share that were obtained from the above-described valuation methods are as follows.

Market Price Analysis:	JPY 1,709 to 2,188
DCF Method:	JPY 1,787 to 2,476

In the market price analysis, March 4, 2021 was used as a calculation reference date, and the calculations were performed on the basis of the closing price of JPY 1,787 on said reference date, the simple average closing price of JPY 2,188 for the immediately preceding one-month period, the simple average closing price of JPY 1,716 for the immediately preceding three-month period, and the simple average closing price of JPY 1,709 for the immediately preceding six-month period, of the Shares (all such prices as listed on the TSE Mothers Market). These calculations showed the value per Share to be in the range of JPY 1,709 to 2,188.

In the DCF Method, the corporate value and share value of the Company were calculated by estimating the free cash flow that the Company can be expected to generate in and after the second

quarter of the September 2021 term, on the basis of various factors including publicly available information and earnings projections and investment plans in the business plans prepared by the Company for the period from the September 2021 term to the September 2024 term, and then deriving the present value of that cash flow using a given discount rate. For such calculations, discount rates of between 7.00% and 8.00% were adopted. In addition, the going-concern value was calculated by employing the perpetual growth method and applying a perpetual growth rate of between 0.00% and 1.00%. The results of the calculations showed the share value per Share to be in the range of JPY 1,787 to 2,476.

The specific values in the Company financial projections that Deloitte Tohmatsu Financial Advisory used as a basis for the DCF Method calculations were as indicated below. The Special Committee has confirmed the reasonableness of the details of, material conditions precedent for, and background of preparation of the Company financial projections, as described in “(i) Establishment of a Special Committee at the Company; Procuring a Written Report” in “(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Prevent Conflict of Interest, and Other Measures to Ensure Fairness of the Tender Offer” below. These financial projections include business years in which a large increase or decrease in earnings relative to the previous year is anticipated. Specifically, with respect to the matching business, continued contributions to an increase in revenue are expected from the September 2021 term through the September 2024 term due to the growth in the market for online matching services for love and marriage hunting and the steady growth in the number of users of “with,” which is an online matching service for love and marriage hunting. However, in the September 2021 term, an operating loss is expected because the Company will implement large-scale development investments in “INSPIX WORLD,” its major service in the enter-tech business. From the September 2021 term through the September 2022 term, a large increase in earnings is expected as a result of a decline in the amount of large-scale development investments in “INSPIX WORLD” compared with the previous business year, although the Company will continue to implement such investments, and as a result of expansion of the matching business. Thereafter, from the September 2022 term through the September 2023 term and the September 2024 term, a large increase in earnings is expected due to achieving profitability in the enter-tech business following a reduction in development investment as a result of the development investment of “INSPIX WORLD” coming to an end and the expansion of revenue sources as well as due to realizing high growth rates of both net sales and profit in the matching business along with the growth of the market of online matching services for love and marriage hunting. Further, these financial projections do not account for the synergistic effects that will be achievable by carrying out the Transaction, because it is difficult to make a detailed estimate of those effects at the present time. Moreover, Deloitte Tohmatsu Financial Advisory conducted its analysis and examination of the content of these financial projections by holding multiple Q&A sessions with the Company, among other activities.

(Unit: million JPY)

	September 2021 term (9 months)	September 2022 term	September 2023 term	September 2024 term
Net Sales	5,566	9,182	11,469	13,916
Operating Profit	(420)	216	2,400	3,261
EBITDA	(266)	485	2,762	3,734
Free Cash Flow	(784)	(450)	1,605	2,294

When calculating the Share value, Deloitte Tohmatsu Financial Advisory, as a rule, utilized the information provided by the Company, publicly-available information, and other such information as-is, assuming that these materials, information, etc. were accurate and complete in all respects, and that there were no facts undisclosed to Deloitte Tohmatsu Financial Advisory that could have a material impact on the calculation of the Share value; thus, Deloitte Tohmatsu Financial Advisory did not independently evaluate the accuracy or completeness of these materials. Further, it was assumed that all information related to Company financial projections had been reasonably prepared on the basis of the best predictions and judgments currently available to Company top management. Moreover, no independent evaluations or assessments were made, and no expert opinions or assessments from third-party organizations were sought, in regard to the assets and liabilities of the Company and its affiliates (including financial derivatives, unlisted assets and liabilities, and other contingent liabilities). Deloitte Tohmatsu Financial Advisory's calculation reflects the abovementioned information covering the period up to March 4, 2021.

The Tender Offer also covers Stock Acquisition Rights, and the Stock Acquisition Right Purchase Prices pertaining to the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, and the Thirteenth Stock Acquisition Rights have been set to the amounts obtained by multiplying the difference between the JPY 3,000 Tender Offer Price and the exercise price per Share for the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, and the Thirteenth Stock Acquisition Rights, respectively, by the number of common shares subject to each such Stock Acquisition Right (specifically, JPY 4,450 for the Fourth Stock Acquisition Rights, which is the amount obtained by multiplying JPY 2,225, the difference relative to the exercise price per Share of JPY 775, by 2; JPY 353,400 for the Twelfth Stock Acquisition Rights, which is the amount obtained by multiplying JPY 1,767, the difference relative to the exercise price per Share of JPY 1,233, by 200; and JPY 135,000 for the Thirteenth Stock Acquisition Rights, which is the amount obtained by multiplying JPY 675, the difference relative to the exercise price per Share of JPY 2,325, by 200), and were calculated on the basis of the Tender Offer Price. However, the exercise prices, etc. per Share for the Stock Acquisition Right Purchase Prices pertaining to the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights are each above the JPY 3,000 Tender Offer Price (specifically, the exercise price per Share of JPY 5,000 for the Fifteenth Stock Acquisition Rights and the minimum exercise price per Share of JPY 7,000 for the Sixteenth Stock Acquisition Rights, all of which are above the JPY 3,000 Tender Offer Price), and therefore the Stock Acquisition Right Purchase Prices have been set at JPY 1 for the Fifteenth Stock Acquisition Rights and JPY 1 for the Sixteenth Stock Acquisition Rights. Therefore, the Company did not obtain a formal calculation or a fairness opinion from any third-party valuation agency in regard to the Stock Acquisition Right Purchase Prices.

In addition, the Stock Acquisition Right Issuance Guidelines or the Stock Acquisition Right Allotment Agreements require approval by the Board of Directors for any acquisition through assignment of any Stock Acquisition Rights, and assignment of the Fourth Stock Acquisition Rights

and the Twelfth Stock Acquisition Rights is prohibited in the Stock Acquisition Right Allotment Agreement of each series. To ensure that the Stock Acquisition Rights can be assigned, the Company has resolved, in the Board of Directors meeting held today, that subject to the completion of the Tender Offer, blanket approval will be given for all Stock Acquisition Right Holders to assign their Stock Acquisition Rights to the Tender Offeror by tendering their rights in the Tender Offer, and that the particulars of Share Acquisition Right Allotment Agreements with Stock Acquisition Right Holders who hold the Fourth Stock Acquisition Rights and the Twelfth Stock Acquisition Rights wishing to assign such rights will be amended to allow for such assignment.

(4) Prospects for Delisting and Reasons Therefor

The Shares are currently listed on the TSE Mothers Market, but the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and therefore, depending on the results of the Tender Offer, the Shares may be subject to delisting after performing the prescribed procedures in accordance with the TSE's delisting criteria. Even in the case where those criteria are not met at the time of completion of the Tender Offer, following completion of the Tender Offer, the Tender Offeror plans to perform the Squeeze-out Process as described in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)” below. In that case the Shares will be delisted after performing the prescribed procedures in accordance with the TSE's delisting criteria. Following delisting, the Shares will no longer be traded on the TSE.

The Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer. Therefore, the total number of the voting rights of the Company held by the Tender Offeror and the Non-accepting Shareholders may be less than two-thirds of the voting rights of all shareholders of the Company after the completion of the Tender Offer. As a result, if approval for the proposal relating to the Share Consolidation is not able to be obtained at the Extraordinary Shareholders' Meeting as stated in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)” below and the Share Consolidation is not implemented, the Tender Offeror intends to maintain the listing of the Shares for the time being. At present, the Tender Offeror intends to take the Company's shares private, and while it is possible that, even if the Extraordinary Shareholders' Meeting does not approve the proposal relating to the Share Consolidation, the Tender Offeror will consider taking the Company's shares private in some manner, including the acquisition of additional Shares, the Tender Offeror believes that the decision on whether or not it will proceed with the acquisition of additional Shares will be considered based on factors such as the tender status of the Tender Offer, subsequent trends in the market share price, the extent to which the Company shareholders were in favor of or against the Share Consolidation proposal at the Extraordinary Shareholders' Meeting, and whether the approval of the Company will be able to be obtained once again, and the Tender Offeror has not decided on any matters in regard thereto at the present time. However, the exercise ratio of voting rights at ordinary shareholders' meetings of the Company was 68.08% at the 10th Ordinary Shareholders' Meeting for the September 2019 term and 54.39% at the 11th Ordinary Shareholders' Meeting for the September 2020 term, and even if the total number of the voting rights of the Company held by the Tender Offeror and the Non-accepting Shareholders is less than two-thirds of the voting rights of all shareholders of the Company after the completion of the Tender Offer, approval for the proposal relating to the Share Consolidation may be obtained at the Extraordinary Shareholders' Meeting, in which case the Shares will be delisted through the prescribed procedures in accordance with the TSE's delisting criteria.

(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)

As described in “(i) Overview of the Tender Offer” under “(2) Grounds and Reasons for Opinion on the Tender Offer” above, in the case where the Tender Offeror is unable to acquire all Shares (including Shares delivered as a result of the exercise of Stock Acquisition Rights but excluding treasury shares held by the Company and the Non-accepted Shares for Tendering) through the Tender Offer, after completion of the Tender Offer, the Tender Offeror intends to implement the Squeeze-out Process in the following manner.

Specifically, promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Company convene an extraordinary shareholders’ meeting that includes on the agenda proposals to implement consolidation of the Shares (the “Share Consolidation”) pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same applies) and partial amendment of the Articles of Incorporation to eliminate provisions concerning the number of shares constituting one unit, conditioned on the Share Consolidation coming into effect (the “Extraordinary Shareholders’ Meeting”). The Tender Offeror believes that convening the Extraordinary Shareholders’ Meeting at the earliest possible time would be desirable from the perspective of enhancing the Company’s corporate value and plans to make a request to announce designation of the record date such that the day following the day of commencement of settlement of the Tender Offer (scheduled for April 27, 2021) or a day close to it is the record date for the Extraordinary Shareholders’ Meeting. Even if the voting rights of the Company held by the Tender Offeror and the Non-accepting Shareholders are less than two-thirds of all voting rights of the Company after the Tender Offer, the Tender Offeror plans to make these requests. If the Company receives these requests from the Tender Offeror, it will comply with them. The Tender Offeror and the Non-accepting Shareholders plan to vote for the proposals described above at the Extraordinary Shareholders’ Meeting.

In the case where the Extraordinary Shareholders’ Meeting approves the Share Consolidation proposal, on the day that the Share Consolidation takes effect, Company shareholders will hold a number of Shares according to the Share Consolidation ratio approved at the Extraordinary Shareholders’ Meeting. If fractional amounts of less than one share occur as a result of the Share Consolidation, monies received from the sale of Shares equivalent to the total number of such fractional shares (in cases where the total number is a fraction less than one share, such fraction shall be discarded) to the Company or the Tender Offeror shall be paid to Company shareholders in accordance with the procedure specified in Article 235 of the Companies Act and other relevant laws and regulations. The sale price of the Shares equivalent to the total number of fractional shares will be calculated such that the amount of money paid as a result of such sale to Company shareholders (excluding Mr. Qian, Mr. Suzuki, and the Company) that did not tender their Shares in the Tender Offer is equal to the Tender Offer Price *times* the number of Shares held by the relevant Company shareholders and a petition for approval of the sale will be filed with a court. Furthermore, the ratio of the Share Consolidation is undetermined at this time, but is planned to be set such that Company shareholders (excluding Mr. Qian, Mr. Suzuki, and the Company) that did not tender their Shares in the Tender Offer hold less than one Share so that Mr. Qian, Mr. Suzuki, and the Tender Offeror (the “Surviving Shareholders”) can hold all the Shares (excluding treasury shares held by the Company). However, if prior to the Share Consolidation coming into effect, there are shareholders of the Company other than the Surviving Shareholders who hold Shares exceeding the lowest number of Shares held by a Surviving Shareholder (the “Majority Shareholders”), the ratio of the consolidation of the Shares may be set so that only the Surviving Shareholders who hold Shares exceeding the number of Shares held by the Majority Shareholders will hold all the Shares (excluding treasury shares held by the Company) as a result of the Share Consolidation. The Company will publicly announce the specific procedures relating to the Share Consolidation promptly after they are determined through discussions between the Tender Offeror and the Company.

With regard to provisions of the Companies Act intended to protect the interests of general

shareholders in relation to Share Consolidation, it is provided to the effect that when fractional amounts of less than one share occur as a result of Share Consolidation, Company shareholders (excluding the Tender Offeror, the Company and the Non-accepting Shareholders) can demand that the Company purchase all fractional shares of less than one share that they hold at a fair price and that they can petition a court to determine the price of the Shares in accordance with Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations. As discussed above, the Share Consolidation will be implemented such that Company shareholders (excluding Mr. Qian, Mr. Suzuki, and the Company) that did not tender their Shares in the Tender Offer hold fractional Shares of less than one share, and therefore, it will be possible for Company shareholders who oppose the Share Consolidation to file such a petition. If such a petition were filed, a court would make the final determination.

It is possible with respect to the procedures that time will be required for implementation or changes to the method of implementation will occur as a result of the revision or enactment of applicable laws and regulations or depending on the status of their interpretation by the authorities, etc. Even in this case, however, the Tender Offeror plans to adopt a method ultimately to pay monies to those Company shareholders (excluding Mr. Qian, Mr. Suzuki, and the Company; however, this will not apply if there are Majority Shareholders as stated above) that did not tender their Shares in the Tender Offer. In this case, the amount of money to be paid to those shareholders will be calculated such that it is equal to the Tender Offer Price *times* the number of Shares held by the relevant shareholders. The Company will publicly announce the specific procedures in the above cases and the timing of implementation and so on promptly after they are determined through discussions between the Tender Offeror and the Company.

In addition, if the Tender Offeror is unable to acquire all Stock Acquisition Rights (excluding the Stock Acquisition Rights held by the Non-accepting Shareholders) in the Tender Offer despite a successful completion of the Tender Offer, the Tender Offeror plans to promptly request the Company to acquire the Stock Acquisition Rights, encourage the Stock Acquisition Right Holders to waive their Stock Acquisition Rights, or take any other procedures reasonably required to conduct the Transaction.

The Tender Offer is not intended to be an inducement for Company shareholders to consent at the Extraordinary Shareholders' Meeting. Furthermore, the Company shareholders and Stock Acquisition Right Holders are requested to consult under their own responsibility with a tax accountant or other professional concerning the tax handling of tendering their Shares or Stock Acquisition Rights in the Tender Offer and the procedures described above.

(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Prevent Conflict of Interest, and Other Measures to Ensure Fairness of the Tender Offer

In light of factors such as the Tender Offer being carried out as part of a so called management buyout (MBO), where there may be an inherent conflict of interest, and from the perspective of ensuring the fairness of the Tender Offer Price and Stock Acquisition Right Purchase Prices, eliminating arbitrariness in the decision-making process behind the decision to implement the Tender Offer, and avoiding conflicts of interest, the Tender Offeror and the Company have carried out the following measures to ensure the fairness of the Transaction including the Tender Offer.

Matters set forth below that concern measures carried out by the Tender Offeror are based on explanations given by the Tender Offeror.

(i) Establishment of a Special Committee at the Company; Procuring a Written Report

In light of factors such as the Transaction being carried out as part of a so called management buyout (MBO) where there may be an inherent conflict of interest in the consideration of the Transaction by the Company, for the purposes of ensuring that the Company is careful in its decision-

making regarding the Transaction, eliminating arbitrariness and the possibility of any conflict of interest in the Board of Directors' decision-making process, and ensuring fairness of the same, at the Board of Directors meeting held on December 30, 2020, a resolution was passed to establish the Special Committee composed of three persons who do not have any interests in any Tender Offeror-Related Persons, namely Mr. Koichiro Natsume, who is an outside director of the Company, and Mr. Eiji Watanabe (tax attorney; representative of Watanabe Accounting Office) and Ms. Ayumi Nakazawa (attorney and partner of Nakazawa Law Office), who are independent outside directors (Audit & Supervisory Committee members) of the Company, and to carry out decision-making that gives the highest degree of respect to reports by the Special Committee. The members of the Special Committee have not changed since the committee was first established. Further, Mr. Eiji Watanabe was elected by the members as the chairperson of the Special Committee. Although remuneration is separately paid to some of the members of the Special Committee in relation to their assumption of office as members, only a monthly fixed amount of remuneration, which is payable regardless of whether the Transaction succeeds, is paid, and no contingency remuneration subject to public announcement or completion of the Transaction is included in the remuneration of any member.

The Company consulted with the Special Committee on the following matters (collectively, "Consultation Matters"): (i) evaluating and making a recommendation to the Board of Directors regarding whether the Board of Directors should approve the Tender Offer and whether the Company should recommend that shareholders tender their Shares in the Tender Offer, after (a) evaluating and determining whether the Transaction should be implemented from the perspective of whether the Transaction will enhance the corporate value of the Company and (b) evaluating and determining the appropriateness of the transaction terms and conditions and the fairness of the procedures (including the details of measures taken to ensure the fairness of the Transaction) from the perspective of securing the interests of the Company's general shareholders, and (ii) evaluating whether the decision on the Transaction by the Board of Directors will be disadvantageous to the Company's minority shareholders (general shareholders) and providing its opinion to the Board of Directors, and the Company requested that the Special Committee submit the Written Report regarding the foregoing to the Board of Directors. Further, the Board of Directors resolved that the decision on the Transaction by the Board of Directors, including whether the Board of Directors should approve the Tender Offer, should be made by respecting the determinations made by the Special Committee to the highest degree and that if the Special Committee determines that the implementation or transaction terms and conditions of the Tender Offer are not appropriate, the Board of Directors will not approve the Tender Offer. Moreover, the Board of Directors approved a resolution to grant to the Special Committee the authority to (a) be substantially involved in the process of negotiations conducted by the Company with the Tender Offeror (including, as necessary, giving instructions or requests regarding the policy of negotiations with the Tender Offeror, and negotiating itself with the Tender Offeror), (b) as necessary, appoint its own financial or legal advisor (in this case, fees are to be borne by the Company) or name or approve (including retrospective approval) the Company's financial or legal advisor upon making its report on the Consultation Matters, and (c) receive, from officers and employees of the Company, information necessary for examination of, and determinations regarding, the Transaction, including information on the details of, and the conditions precedent to the preparation of, the business plan, and (d) conduct other matters that the Special Committee determines necessary for examination of, and determinations regarding, the Transaction.

The Special Committee held a total of 13 meetings during the period from December 30, 2020 to March 4, 2021 to discuss and examine the Consultation Matters. Specifically, at the first meeting of the Special Committee, after finding that with respect to the legal advisor, the financial advisor, and the third-party valuation agency appointed by the Company, there were no issues in relation to their

independence, the Special Committee approved them as the legal advisor, the financial advisor, and the third-party valuation agency, respectively, of the Company. Further, with respect to involvement in the negotiations process with the Tender Offeror, the Special Committee confirmed that it established a policy whereby in principle, the Company and Deloitte Tohmatsu Financial Advisory, the Company's financial advisor, will be the contact point in direct negotiations. Moreover, the Special Committee received explanations from the Company and conducted questions and answers regarding the condition of the Company's businesses, business forecasts, market environment, background of the Transaction, purposes of the Transaction, specific advantages and disadvantages of the Transaction, forecasts concerning continuation of businesses not conditioned on the Transaction including the feasibility of measures in lieu of the Transaction, operational and financial conditions, and business plans etc., and with respect to negotiations with the Tender Offeror, expressed opinions and provided advice to the Company. Also, when the Company prepared the business plan for the Transaction, the Special Committee received explanations regarding the details of, and material conditions precedent for, the proposed business plan and confirmed and approved the reasonableness of the details of, material conditions precedent for, and background of preparation of the final business plan. Further, the Special Committee received from the Tender Offeror an overview of Bain Capital, explanations regarding the purposes and reasons for the Tender Offeror Group implementing the Transaction, managerial policies and investment plans going forward, matters of concern in relation to the Transaction, the specific impact and effect that are expected to result from the Transaction, specific advantages and disadvantages of the Transaction, and other matters, and conducted questions and answers. In addition, the Special Committee received explanations from Deloitte Tohmatsu Financial Advisory regarding the negotiations process relating to the terms etc. of the Transaction and calculation of the Company's share value, and explanations from Mori Hamada & Matsumoto regarding the particulars of measures to ensure fairness with respect to the procedures of the Transaction, the method and process of the Board of Directors' decision-making regarding the Transaction, and other measures to avoid conflict of interest, and conducted questions and answers regarding the foregoing as well.

Further, with respect to a so called proactive market check (including bidding procedures before public announcement of the Transaction) to investigate and consider whether there are any potential acquirers in the market, in light of the nature of measures that have been carried out to ensure the fairness of the Transaction that includes the Tender Offer, and other specific circumstances of the Transaction, the Special Committee determined that even if such checks are not carried out, there will be no specific hindrances to the fairness of the Transaction.

Further, since the receipt of a proposal from the Tender Offeror Group on February 4, 2021 to the effect that the Tender Offer Price will be JPY 1,900 per Share and the Stock Acquisition Right Purchase Prices will be JPY 2,250 for Fourth Stock Acquisition Rights, JPY 133,400 for Twelfth Stock Acquisition Rights, JPY 1 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights, the Special Committee has received, from time to time, reports concerning the process and details etc. of consultations and negotiations between the Company and the Tender Offeror Group relating to the Transaction, and discussed matters such as policies for dealing with the same. Then on February 15, 2021, the Tender Offeror Group proposed a Tender Offer Price of JPY 2,300 per Share and Stock Acquisition Right Purchase Prices of JPY 3,050 for Fourth Stock Acquisition Rights, JPY 213,400 for Twelfth Stock Acquisition Rights, JPY 1 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights, and on February 24, 2021, the Tender Offeror Group proposed a Tender Offer Price of JPY 2,400 per Share and Stock Acquisition Right Purchase Prices of JPY 3,250 for Fourth Stock Acquisition Rights, JPY 233,400 for Twelfth Stock Acquisition Rights, JPY 15,000 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth

Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights, and after reviewing and considering such proposal in light of Deloitte Tohmatsu Financial Advisory's advice from a financial perspective that included analyses concerning premiums in recent MBO deals, the Special Committee demanded that the Tender Offeror increase the Tender Offer Price and the Stock Acquisition Right Purchase Prices and was otherwise involved in the negotiations process with the Tender Offeror; as a result, on March 4, 2021, the Company received from the Tender Offeror a proposal for a Tender Offer Price of JPY 3,000 per Share and Stock Acquisition Right Purchase Prices of JPY 4,450 for Fourth Stock Acquisition Rights, JPY 353,400 for Twelfth Stock Acquisition Rights, JPY 135,000 for Thirteenth Stock Acquisition Rights, JPY 1 for Fifteenth Stock Acquisition Rights, and JPY 1 for Sixteenth Stock Acquisition Rights.

Moreover, the Special Committee received explanations regarding drafts of this Press Release that the Company planned to disclose and the Tender Offer Statement that the Tender Offeror planned to submit, and while receiving advice from Mori Hamada & Matsumoto, confirmed that it was planned that full disclosure of information concerning the Transaction will be made.

In the course of the foregoing, as a result of continued careful discussions and examinations regarding the Consultation Matters, on March 5, 2021, the Special Committee submitted to the Board of Directors the Written Report regarding the Consultation Matters with the following content.

(a) Matters reported

(i) The Special Committee believes that the Board of Directors should resolve to state an opinion in favor of the Tender Offer and to recommend that the Company's shareholders tender their Shares in the Tender Offer and the Stock Acquisition Right Holders who hold the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights and the Thirteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer, but to leave the decision on whether the Stock Acquisition Right Holders who hold the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer to the judgment of those Stock Acquisition Right Holders.

(ii) The Special Committee believes that the Board of Directors resolving to state an opinion in favor of the Tender Offer and to recommend that the Company's shareholders tender their Shares in the Tender Offer and the Stock Acquisition Right Holders who hold the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights and the Thirteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer, but to leave the decision on whether the Stock Acquisition Right Holders who hold the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer to the judgment of those Stock Acquisition Right Holders would not be disadvantageous to the Company's minority shareholders (general shareholders). Also, the Special Committee believes that the Tender Offeror taking the Company's shares private after the completion of the Tender Offer would not be disadvantageous to the Company's minority shareholders (general shareholders).

(b) Reasons for giving the above opinions in the Report

(i) Whether the Transaction should be implemented

The Special Committee received explanations from Mr. Qian, Mr. Suzuki, Bain Capital, and the Company regarding measures to achieve the further growth and increased corporate value of the Company Group over the medium to long term, the necessity of taking the Company's shares private when implementing those measures, and the necessity of the Absorption-type Merger and the Dividends in Kind after privatization. The Special Committee considers that those explanations were based on the business environment surrounding the Company Group and the management issues facing the Company Group and that each of the explanations has a certain level of reasonableness

and therefore believes that the Transaction is an effective choice for achieving medium to long-term growth for the Company Group as a whole.

Additionally, taking into account the business environment and management issues of the Company Group, the Special Committee believes that there are advantages to implementing the various measures for increasing corporate value stated in “(ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” and “(iii) Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” in “(2) Grounds and Reasons for Opinion on the Tender Offer” in “3. Substance of and Grounds and Reasons for Opinion Relating to Tender Offer” and finds the implementation of those measures to be reasonable.

Additionally, as a method for implementing those various measures, it is reasonable to take the Company’s shares private and thereby implement various measures such as capital investments to accelerate the development and market launch of new products while utilizing the capital strength of Bain Capital and avoiding burdening general shareholders with risk.

Based on the above, the Special Committee believes that the synergies expected as a result of discussions between the Company and the Tender Offeror Group are reasonable when judged by comprehensively taking into account matters such as the specific effects and the feasibility of those synergies and that significant advantages for the Company Group can be expected through the completion of the Transaction. Conversely, the Special Committee believes that the demerits of delisting will not have a large effect on the Company’s business.

Because the Non-accepting Shareholders are expected to approve the proposals relating to the Share Consolidation, etc. at the Extraordinary Shareholders’ Meeting, in addition to the shares that the Non-accepting Shareholders will not tender in the Tender Offer (total number of shares held: 7,631,500 shares; shareholding ratio: 46.48%), if the Tender Offeror acquires 3,314,266 shares (shareholding ratio: 20.19%) through the Tender Offer, then combining the shares held by the Tender Offeror and the Non-accepting Shareholders, the Tender Offeror will have acquired shares representing the two-thirds of voting rights necessary for the approval of the Share Consolidation, and it will become certain that the Share Consolidation will be conducted. However, if the number of the shares acquired is less than that number of shares, there is a possibility that the listing of the Shares will be maintained. However, even if the listing of the Shares is maintained, the ownership ratio of the Shares held by the Tender Offeror is expected to be approximately 20% at the maximum, and even at that maximum ownership ratio, the Tender Offeror will only be the second largest shareholder of the Company. In reality, the ownership ratio of the Tender Offeror in the case of the listing being maintained is expected to be considerably lower than the above, and therefore, it is thought that Bain Capital will not gain control of the Company through the Tender Offer. Additionally, the Special Committee received a response from Bain Capital, Mr. Qian, and Mr. Suzuki that even without gaining control of the Company, Bain Capital intends, as requested by the Company, to provide a certain degree of support as a shareholder for the execution of management measures by the Company, and that there are no agreements that would be disadvantageous to the general shareholders of the Company in the case of the listing of the Shares being maintained.

Taking the above into account, even considering the possibility that the listing of the Shares will be maintained, the Special Committee believes it overall advantageous for the Company to conduct the series of transactions in the Transaction, including the Tender Offer. Additionally, in the Transaction, if approval for the proposal relating to the Share Consolidation is not able to be obtained at an extraordinary shareholders’ meeting of the Company and the Share Consolidation is not conducted, the listing of the Shares is planned to be maintained for the time being; however, there is a low possibility of the Company or its general shareholders incurring any particular disadvantage due only to the Tender Offeror becoming a shareholder of the Company while the listing of the Shares

is maintained.

Based on the above, the Special Committee finds that the Transaction will contribute to increasing the corporate value of the Company and that the purposes of the Transaction, including the Tender Offer, are reasonable.

(ii) Appropriateness of transaction terms and conditions

The Company obtained the Share Valuation Report from Deloitte Tohmatsu Financial Advisory, a third-party valuation agency independent from the Tender Offeror-Related Persons. The Special Committee received explanations from Deloitte Tohmatsu Financial Advisory regarding the valuation methods, the reason for choosing those methods, the details of the valuation performed using each method, and material conditions precedent, conducted questions and answers regarding these matters, and considered the details thereof. As a result, the Special Committee believes that the valuation methods chosen by Deloitte Tohmatsu Financial Advisory are generally accepted and reasonable methods based on the current valuation practice, that other explanations regarding the valuation methods are reasonable, and that the details of the valuations are appropriate based on the current valuation practice. Additionally, the Special Committee received explanations regarding the background of preparation of the business plan on which the valuations were based and the details of and material conditions precedent for that business plan and conducted questions and answers regarding these matters, but the Special Committee confirmed that there is nothing particularly unreasonable in the details of the business plan. Moreover, when comparing the Tender Offer Price to the share valuation of the Shares in the share valuation report prepared by Deloitte Tohmatsu Financial Advisory, the Tender Offer Price exceeds the upper limit of the calculation results using the market price analysis and exceeds the upper limit of the calculation results using the DCF Method.

Additionally, as stated in “(iii) Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” in “(2) Grounds and Reasons for Opinion on the Tender Offer” in “3. Substance of and Grounds and Reasons for Opinion Relating to Tender Offer” above, the Company has engaged in repeated discussions and negotiations regarding the Tender Offer Price, as a result of which the Tender Offer Price can be evaluated based on its market price as including a significant premium and exceeds the upper limit of the calculation results using the DCF Method by Deloitte Tohmatsu Financial Advisory stated above; therefore, the Special Committee has determined that the Tender Offer Price is appropriate. Additionally, the Special Committee received reports regarding the status of negotiations with the Tender Offeror in a timely manner, and those negotiations have been conducted with the Special Committee expressing its opinions and issuing instructions and requests to the Company and Deloitte Tohmatsu Financial Advisory regarding important aspects; moreover, no other particular circumstances have been found that would cause doubt regarding the fairness of the process for deciding the Tender Offer Price.

Furthermore, the two-step acquisition method in which a tender offer for cash consideration and subsequent procedures for privatization (i.e., share consolidation) are implemented is a method generally employed in privatization transactions, and as the Absorption-type Merger and the Dividends in Kind to be implemented after the completion of the Squeeze-out Process will be performed at a time when there are no longer any general shareholders, no disadvantages to general shareholders in regard to the Absorption-type Merger and the Dividends in Kind have been found.

Based on the above considerations, the Special Committee reached the determination that from the perspective of securing the interests of the Company’s general shareholders, the appropriateness of the terms and conditions of the Transaction has been ensured, taking into account the facts that (a) the level of the premium added to the Tender Offer Price over the market price is found to exceed the average level when compared to the level of premiums in other recent instances of MBOs, (b) negotiations with the Tender Offeror Group were conducted in accordance with negotiation policies decided by the Special Committee and in accordance with the instructions of the Special Committee,

and as a result of those negotiations, the Company achieved an increase in the price of the Shares of JPY 1,100 from the initially proposed price (approximately 58% of the initially proposed price of JPY 1,900), (c) the Tender Offer Price is considered to be reasonable based on the calculation results in the share valuation report prepared by Deloitte Tohmatsu Financial Advisory, an independent third-party valuation agency, (d) it is found that there are no other particular circumstances that would cause doubt regarding the fairness of the process for deciding the Tender Offer Price, and (e) no unreasonable matters in regard to the method of the Transaction, including the share consolidation for privatization, have been found.

(iii) Fairness of the procedures in the negotiation process, etc. for the Transaction

The Special Committee reached the conclusion that the interests of the Company's general shareholders are sufficiently taken into consideration through fair procedures in the Transaction, including the Tender Offer, considering the facts that (a) in light of factors such as the Transaction being carried out as part of a so called management buyout (MBO) where there may be an inherent conflict of interest in the consideration of the Transaction by the Company, for the purposes of ensuring that the Company is careful in its decision-making regarding the Transaction, eliminating arbitrariness and the possibility of any conflict of interest in the Board of Directors' decision-making process, and ensuring fairness of the same, the Company passed a resolution to establish the Special Committee composed of three persons who do not have any interests in any Tender Offeror-Related Persons, namely Mr. Koichiro Natsume, who is an outside director of the Company, and Mr. Eiji Watanabe (tax attorney; representative of Watanabe Accounting Office) and Ms. Ayumi Nakazawa (attorney; partner of Nakazawa Law Office), who are independent outside directors (Audit & Supervisory Committee members) of the Company, and to carry out decision-making that gives the highest degree of respect to reports by the Special Committee, (b) to ensure the fairness and appropriateness of the Board of Directors' decision-making process regarding the Transaction, the Company received advice and opinions from a financial perspective on the terms and conditions for the Tender Offer, including the Tender Offer Price, from Deloitte Tohmatsu Financial Advisory, which the Company appointed as a financial advisor and third-party valuation agency that is independent from the Company and the Tender Offeror-Related Persons, and in order to ensure the reasonableness of the Tender Offer Price, the Company obtained the Share Valuation Report, (c) in considering the Transaction, the Company received legal advice from time to time from Mori Hamada & Matsumoto, a legal advisor that is independent from the Company and the Tender Offeror Group, regarding the measures to be taken to ensure the fairness of the procedures of the Transaction, various procedures for the Transaction, and the method and other processes of the Company's decision-making for the Transaction, (d) the Company did not involve any director or employee who has an interest in the process of the consideration and negotiation of the Transaction and the process of the preparation of the business plan, and thus has established an independent consideration structure, (e) of the Company's directors, the Company did not allow Mr. Qian or Mr. Suzuki to participate in the deliberations or resolutions of the Board of Directors relating to the Transaction, and the Company did not allow Mr. Qian or Mr. Suzuki to participate in the discussions or negotiations for the Transaction on behalf of the Company, (f) the Tender Offer Period for the Tender Offer is planned to be set at a period of 31 business days, which is longer than the statutory minimum (20 business days), and in order to not unreasonably restrict the opportunity for persons other than Tender Offeror ("Counterbidders") to make a tender offer, etc., the Tender Offeror and the Company have not entered into any agreement restricting contact by a Counterbidder with the Company during the Tender Offer Period, whereby together with the above setting of the Tender Offer Period, consideration has been given to secure the fairness of the Tender Offer by ensuring an opportunity for counteroffers, (g) the Special Committee believes that although a majority of minority condition is not planned to be set, that does not directly reduce the fairness of procedures in the Tender Offer,

and that although a minimum number of shares to be purchased in the Tender Offer is not planned to be set, even if the listing of the Shares is maintained and Bain Capital becomes a shareholder of the Company, the Transaction will contribute to increasing the corporate value of the Company as stated above, and that not setting a minimum number of shares to be purchased does not directly reduce the fairness of procedures in the Tender Offer because although in light of the facts that the exercise ratio of voting rights of the Company at the 10th Ordinary Shareholders' Meeting for the September 2019 term was 68.08% and the exercise ratio of voting rights of the Company at the 11th Ordinary Shareholders' Meeting for the September 2020 term was 54.39%, even if the number of shares tendered by general shareholders in the Tender Offer is small, a resolution may be passed to take the Company's shares private considering the number of the Shares held by the Non-accepting Shareholders (7,631,500 shares in total; shareholding ratio: 46.48%), since shareholders at the time of the ordinary shareholders' meetings differ from those at the time of the Extraordinary Shareholders' Meeting, in addition to which the contents of the proposals submitted differ, it cannot simply be said that the exercise ratio of voting rights at ordinary shareholders' meetings is applicable to the exercise ratio of voting rights at the Extraordinary Shareholders' Meeting, and it is considered that more consideration can be given to the intention of general shareholders compared with a scheme that is not premised on a tender offer, (h) sufficient information will be disclosed to general shareholders and an opportunity to make an appropriate decision will be ensured, and (i) the lawfulness of the privatization procedures is also ensured so that an issue of coerciveness will not arise in the Transaction.

(ii) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency

To ensure the fairness of the decision-making process regarding the Tender Offer Price presented by the Tender Offeror, the Company requested Deloitte Tohmatsu Financial Advisory, as a third-party valuation agency that is independent from the Tender Offeror-Related Persons, to calculate the share value of the Shares, and procured the Share Valuation Report on March 4, 2021.

Deloitte Tohmatsu Financial Advisory does not fall under a related person of any of the Tender Offeror-Related Persons, and does not have any material interests in regard to the Transaction including the Tender Offer. Further, at the first meeting of the Special Committee, the Special Committee confirmed that there are no issues with respect to the independence of Deloitte Tohmatsu Financial Advisory, and approved Deloitte Tohmatsu Financial Advisory as a third-party valuation agency for the Company.

For an overview of the Share Valuation Report, refer to “(ii) Overview of Calculations” under “(3) Matters Relating to Calculation” above.

(iii) Advice from an Independent Law Office

To ensure the fairness and appropriateness of the Board of Directors' decision-making process regarding the Transaction, the Company appointed Mori Hamada & Matsumoto as a legal advisor that is independent from the Tender Offeror-Related Persons, and received from said law office necessary legal advice regarding the method and process of decision-making for the Board of Directors including procedures relating to the Transaction, and other matters for consideration.

Mori Hamada & Matsumoto does not fall under a related person of any of the Tender Offeror-Related Persons, and does not have any material interests in regard to the Transaction, which the Tender Offer. Further, at the first meeting of the Special Committee, the Special Committee confirmed that there are no issues with the respect to the independence of Mori Hamada & Matsumoto, and approved Mori Hamada & Matsumoto as a legal advisor for the Company. Also, the remuneration of Mori Hamada & Matsumoto will be calculated by multiplying the number of hours worked by an hourly rate regardless of whether the Transaction succeeds, and no contingency

remuneration subject to completion of the Transaction will be paid.

(iv) Approval of All Company Directors (Including Audit & Supervisory Committee Members) Not Having a Conflict of Interest

On the basis of the Share Valuation Report obtained from Deloitte Tohmatsu Financial Advisory and legal advice obtained from Mori Hamada & Matsumoto, the Company carefully considered the terms of the Transaction while maximally giving weight to the content of the Written Report submitted by the Special Committee (see “(i) Establishment of a Special Committee at the Company; Procuring a Written Report” above regarding the constitution of the Special Committee and its specific activities etc.).

Consequently, as explained in “(iii) Decision-Making Process behind the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “(2) Grounds and Reasons for Opinion on the Tender Offer” above, the Board of Directors decided, regarding the Transaction, that the Transaction, which includes the Tender Offer, can be expected to improve the Company’s corporate value and the Tender Offer Price and other conditions of the Tender Offer are appropriate from the perspective of the Company’s shareholders and Stock Acquisition Right Holders, and that the Tender Offer will provide the Company’s shareholders and Stock Acquisition Right Holders with a reasonable opportunity to sell their Shares and Stock Acquisition Rights. At the Board of Directors meeting held today, the Company’s directors (four directors (Mr. Kenji Kotake, Mr. Eiji Watanabe, and Ms. Ayumi Nakazawa, who are Audit & Supervisory Committee members, and Mr. Koichiro Natsume) out of six directors in total, excluding Mr. Qian and Mr. Suzuki) who participated in deliberation and voting unanimously passed a resolution to state an opinion in favor of the Tender Offer and to recommend that all of the Company’s shareholders tender their Shares in the Tender Offer.

With respect to the Stock Acquisition Rights, the Company also passed a resolution to recommend that because the Stock Acquisition Right Purchase Prices of the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, and the Thirteenth Stock Acquisition Rights were set at the amounts obtained by multiplying the difference between Tender Offer Price of JPY 3,000 and the exercise price per Share that is the object of the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, and the Thirteenth Stock Acquisition Rights by the number of common shares subject to the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, and the Thirteenth Stock Acquisition Rights and were calculated on the basis of the Tender Offer Price, the Stock Acquisition Right Holders who hold the Fourth Stock Acquisition Rights, the Twelfth Stock Acquisition Rights, and the Thirteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer, but because the Stock Acquisition Right Purchase Prices of the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights were set to be JPY 1 on the ground that the exercise price per Share exceeds JPY 3,000, which is the Tender Offer Price, to leave the decision on whether the Stock Acquisition Right Holders who hold the Fifteenth Stock Acquisition Rights and the Sixteenth Stock Acquisition Rights tender their Stock Acquisition Rights in the Tender Offer to the judgment of those Stock Acquisition Right Holders.

Since Mr. Qian and Mr. Suzuki are shareholders of the Tender Offeror and expected to remain engaged in the management of the Company after the completion of the Tender Offer and to continue to hold the Non-accepted Shares for Tendering after the completion of the Tender Offer in order to share the common objective for enhancing the corporate value, they have conflicts of interest with the Company in relation to the Transaction, and thus, both of them did not in any way participate in the deliberations or voting in the above meeting of the Board of Directors, nor did they have any role in the consultations and negotiations with the Tender Offeror from the Company’s position.

(v) Securing Objective Conditions for Ensuring the Fairness of the Tender Offer

Tender Offeror has not executed with the Company any agreement including a deal protection provision prohibiting contact by the Company with any Counterbidder regarding the Shares concurrently with the Tender Offer or any other agreement restricting contact by a Counterbidder with the Company. Further, Tender Offeror has set as the purchase etc. period (“Tender Offer Period”) involved in the Tender Offer a period of 31 business days, which is longer than the statutory minimum of 20 business days. By setting a comparatively long period as the Tender Offer Period, Tender Offeror intends to ensure an appropriate Tender Offer Price by securing for the Company’s shareholders and the Stock Acquisition Right Holders an appropriate opportunity for decision-making regarding tendering shares in the Tender Offer and securing an opportunity for persons other than Tender Offeror to make counteroffer etc. for the Shares.

As stated in “(i) Establishment of a Special Committee at the Company; Procuring a Written Report” above, with respect to a so called proactive market check (including bidding procedures before public announcement of the Transaction) to investigate and consider whether there are any potential acquirers in the market, in light of the nature of measures that have been carried out to ensure the fairness of the Transaction that includes the Tender Offer, and other specific circumstances of the Transaction, the Special Committee determined that even if such checks are not carried out, there will be no specific hindrances to the fairness of the Transaction.

The Tender Offeror believes that setting a so called “majority of minority” minimum number of shares to be purchased in the Tender Offer may make the completion of the Tender Offer uncertain because the level of the number of acquired shares necessary for the completion of the Tender Offer would become significantly high, and doing so may instead cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender shares therein. Therefore, the Tender Offeror has not set a “majority of minority” minimum number of shares to be purchased in the Tender Offer. The Tender Offeror believes that the interests of the Company’s minority shareholders are sufficiently taken into consideration because the Tender Offeror and the Company have carried out the above measures as measures to ensure the fairness of the Tender Offer Price and the Stock Acquisition Right Purchase Prices and measures to prevent conflicts of interest.

4. Matters Relating to Material Agreements Concerning the Tender Offer between the Tender Offeror and Company Shareholders and Directors

(1) Basic Agreement

The Tender Offeror has entered into the Basic Agreement with Mr. Qian and Mr. Suzuki on March 5, 2021, respectively, and agreed on the following:

- (i) If the Tender Offeror commences the Tender Offer as part of Company's management buyout (MBO) by Mr. Qian and Mr. Suzuki, (a) Mr. Qian will not tender all of his Shares (2,616,600 shares, Shareholding Ratio: 15.94%) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer), (b) Mr. Suzuki will not tender all of his Shares (3,966,600 shares, Shareholding Ratio: 24.16%) and all of his Stock Acquisition Rights (100 rights (Number of shares subject to the stock acquisition rights: 20,000 shares, Shareholding Ratio: 0.12%)) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer);
- (ii) Mr. Qian will consult and negotiate with Elements Capital Research Godo Kaisha promptly after the commencement date of the settlement of the Tender Offer to repay the secured obligations

under the pledge held by Mr. Qian against Elements Capital Research Godo Kaisha with respect to the Shares (630,000 shares, Shareholding Ratio 3.84%) for which Elements Capital Research Godo Kaisha is the pledgee, to extinguish the pledge, and to change to Mr. Qian the name of those Shares for which Elements Capital is stated or recorded as the owner in the Company's shareholder register;

- (iii) If the Tender Offeror fails to acquire all of the Shares (including the Shares to be delivered upon the exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Company and the Non-accepted Shares for Tendering) in the Tender Offer, the Tender Offeror will, subject to the completion of the Tender Offer, cooperate in good faith with respect to matters necessary for the smooth implementation of the Squeeze-out Process (including (i) presenting agenda on the Share Consolidation to the Extraordinary Shareholders' Meeting and (ii) voting as a shareholder of the Company in favor of all proposals including those related to the Share Consolidation at the Extraordinary Shareholders' Meeting as an exercise of voting rights in respect of all Shares owned at such time);
- (iv) The Tender Offeror will exercise the Class Share Conversion and the Absorption-type Merger subject to the completion of the Tender Offer and the Squeeze-out Process; and
- (v) The Tender Offeror will exercise the Dividends in Kind subject to the completion of the Absorption-type Merger.

(2) Non-tender Agreement

The Tender has entered into the Non-tender Agreement with QK, SY, Mr. Kashiwaya, Ms. Yamada, Mr. Uenoyama, Mr. Sato, and Mr. Akimoto as of March 5, 2021 respectively, and agreed on the following:

- (i) If the Tender Offeror commences the Tender Offer as part of Company's management buyout (MBO) by Mr. Qian and Mr. Suzuki, (a) QK will not tender all of its Shares (354,300 shares, Shareholding Ratio: 2.16%) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer), (b) SY will not tender all of its Shares (212,600 shares, Shareholding Ratio: 1.29%) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer), (c) Mr. Kashiwaya will not tender all of his Shares (204,800 shares, Shareholding Ratio: 1.25%) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer), (d) Ms. Yamada will not tender all of her Shares (192,200 shares, Shareholding Ratio: 1.17%) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer), (e) Mr. Uenoyama will not tender all of his Shares (36,000 shares, Shareholding Ratio: 0.22%) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer), (f) Mr. Sato will not tender all of his Shares (34,000 shares, Shareholding Ratio: 0.21%) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer), (g) Mr. Akimoto will not tender all of his Shares (14,400

shares, Shareholding Ratio: 0.09%) and all of his Stock Acquisition Rights (30 rights (number of shares subject to the stock acquisition rights: 6,000 shares; Shareholding Ratio: 0.04%)) into the Tender Offer and will not newly transfer, establish any security or otherwise dispose thereof in whole or in part (including, but not limited to, any tendering for tender offer other than the Tender Offer); and

- (ii) If the Tender Offeror fails to acquire all of the Shares (including the Shares to be delivered upon the exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Company and the Non-accepted Shares for Tendering) in the Tender Offer, the Tender Offeror will, subject to the completion of the Tender Offer, cooperate in good faith with respect to matters necessary for the smooth implementation of the Squeeze-out Process (including voting, as a shareholder of the Company, in favor of all proposals including those related to the Share Consolidation at the Extraordinary Shareholders' Meeting as an exercise of voting rights in respect of all Shares owned at such time).

(3) Tender Offer Agreement

The Tender Offeror has entered into the Tender Offer Agreement with SK, which is the fifth largest shareholder (269,300 shares, Shareholding Ratio: 1.64%) as of March 5, 2021, and agreed to tender all of the Shares held by SK into the Tender Offer.

In the Tender Offer Agreement with SK, SK hereby covenants that, if the Tender Offer is completed, and if a shareholders' meeting of the Company is held with the date before the commencement of the settlement for the Tender Offer as the record date, with respect to the exercise of any and all voting rights in Shares owned by SK at the shareholders' meeting, SK will exercise such voting rights in accordance with the instructions of the Tender Offeror. There is no condition precedent by SK under the Tender Offer Agreement.

(4) Shareholders Agreement

Mr. Qian, Mr. Suzuki, BCPE Wish Cayman and the Tender Offeror entered into the Shareholders Agreement as of March 5, 2021 to agree on the operation of the Company Group after the completion of the Transaction. Specifically, it has been agreed that (i) Mr. Qian and the Mr. Suzuki, and BCPE Wish Cayman will appoint the same number of directors of the Company and with Inc. after the completion of the Transaction (Mr. Qian and Mr. Suzuki will jointly appoint the same number of directors as BCPE Wish Cayman by mutual agreement), (ii) subject to completion of the Tender Offer and the Squeeze-out Process, the Tender Offeror will purchase the ordinary share issued by the Company, and (iii) Mr. Qian, Mr. Suzuki and the BCPE Wish Cayman may not, except in certain exceptional cases, transfer their Tender Offeror's shares to any third party.

5. Giving of Benefits by the Tender Offeror or Other Specially Related Persons

N/A

6. Policy of Response to Basic Policy Relating to Company Control

N/A

7. Questions to the Tender Offeror

N/A

8. Request for Extension of the Tender Offer Period

N/A

9. Future Prospects

See: “(ii) Background, Objectives, and Decision-Making Process behind the Tender Offeror’s Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” under “(2) Grounds and Reasons for Opinion on the Tender Offer” under “3. Substance of and Grounds and Reasons for Opinion Relating to Tender Offer”; “(4) Prospects for Delisting and Reasons Therefor”; and “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to So Called Two-Step Acquisition)”.

10. Other

As publicly announced in the “Notice Regarding Revision of Annual Performance Forecast” released on March 5, 2021, the Company has revised the annual consolidated performance forecast for the September 2021 term. For details, see that notice.

End

(References)

(Attachment 1) Overview of with Inc.

(Attachment 2) “Announcement on Commencement of Tender Offer for Shares of IGNIS LTD.

(Securities Code: 3689)” dated March 5, 2021

Attachment 1

Overview of with Inc.

1	Name	with Inc.		
2	Address	1-19-19 Ebisu, Shibuya-ku Tokyo		
3	Title and name of representative	Takaaki Suzuki, Representative Director		
4	Nature of business	Operating “with,” a romantic online matching service, as its main service		
5	Capital	JPY 101,000,000		
6	Date of establishment	September 3, 2012		
7	Large shareholders and their ownership percentages	IGNIS LTD. 100.00%		
8	Relationships between the Company and with Inc.	Capital relationships	The Company holds 100.00% of the outstanding shares of with Inc.	
		Personal relationships	Mr. Qian, the Company’s president and founder, concurrently serves as representative director of with Inc., Mr. Suzuki, the Company’s CTO and representative director, concurrently serves as representative director of with Inc., and Mr. Kotake, the Company’s director (Audit & Supervisory Committee member), concurrently serves as statutory auditor of with Inc.	
		Transactional relationships	There are transactions relating to the entrustment of services for headquarters functions between the Company and with Inc.	
9	Operating results and financial status over the most recent three years			
	Accounting period	September 2018 term	September 2019 term	September 2020 term
	Net assets	(JPY 577 million)	(JPY 71 million)	JPY 705 million
	Gross assets	JPY 533 million	JPY 956 million	JPY 2,107 million
	Net assets per share	(JPY 28,014.93)	(JPY 3,479.33)	JPY 34,247.27
	Net sales	JPY 1,692 million	JPY 2,963 million	JPY 4,378 million
	Operating income	(JPY 46 million)	JPY 641 million	JPY 1,187 million
	Ordinary income	(JPY 49 million)	JPY 640 million	JPY 1,187 million
	Net income	JPY 138 million	JPY 505 million	JPY 777 million
	Net income per share	JPY 6,728.43	JPY 24,535.60	JPY 37,726.60
	Dividends per share	JPY -	JPY -	JPY -

March 5, 2021

To Whom It May Concern

Company name: K.K. i3
Representative: Qian Kun
Representative Director

**Announcement on Commencement of Tender Offer
for Shares of IGNIS LTD. (Securities Code: 3689)**

K.K. i3 (the "Offeror") hereby announces that it has decided on March 5, 2021 to acquire the common shares (the "Target's Shares") and the Stock Acquisition Rights (as defined below) of IGNIS LTD. (the "Target") listed on the Mothers Market, a market opened by the Tokyo Stock Exchange, Inc. ("TSE") ("TSE Mothers Market") through a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") with details as described below.

Descriptions

1. Particulars of Tender Offer

(1) Name of the Target
IGNIS LTD.

(2) Class of shares to be purchased

(1) Common Shares

(2) Stock Acquisition Rights

- (i) Stock acquisition rights issued pursuant to a resolution by the Target's extraordinary shareholders' meeting held on March 10, 2014 (the "Fourth Stock Acquisition Rights") (the exercise period is from March 12, 2016 to February 11, 2024)
- (ii) Stock acquisition rights issued pursuant to a resolution by the Target's board of directors' meeting held on October 13, 2016 (the "Twelfth Stock Acquisition Rights") (the exercise period is from October 28, 2016 to October 27, 2021)
- (iii) Stock acquisition rights issued pursuant to a resolution by the Target's board of directors' meeting held on February 16, 2017 (the "Thirteenth Stock Acquisition Rights") (the exercise period is from March 3, 2017 to March 2, 2022)
- (iv) Stock acquisition rights issued pursuant to a resolution by the Target's board of directors' meeting held on March 5, 2018 (the "Fifteenth Stock Acquisition Rights") (the exercise period is from March 23, 2018 to March 22, 2021)
- (v) Stock acquisition rights issued pursuant to a resolution by the Target's board of directors' meeting held on March 5, 2018 (the "Sixteenth Stock Acquisition Rights"; collectively, the Fourth Stock Acquisition Rights, Twelfth Stock Acquisition Rights, Thirteenth Stock Acquisition Rights, Fifteenth Stock Acquisition Rights and Sixteenth Stock Acquisition Rights shall be referred to hereafter as the "Stock Acquisition Rights") (the exercise period is from March 23, 2018 to March 22, 2021)

(3) Tender Offer Period

From March 8, 2021 (Monday) through April 19, 2021 (Monday) (31 business days)

- (4) Price of Tender Offer, etc.
- JPY 3,000 per common share
 - JPY 4,450 per one Fourth Stock Acquisition Right
 - JPY 353,400 per one Twelfth Stock Acquisition Right
 - JPY 135,000 per one Thirteenth Stock Acquisition Right
 - JPY 1 per one Fifteenth Stock Acquisition Right
 - JPY 1 per one Sixteenth Stock Acquisition Right
- (5) Number of shares to be purchased
- Number of shares to be purchased: 8,761,149 shares
 - Minimum number of shares to be purchased: -- shares
 - Maximum number of shares to be purchased: -- shares
- (6) Tender Offer Agent
- Nomura Securities Co., Ltd.
 - 13-1, Nihombashi 1-chome, Chuo-ku, Tokyo
- (7) Commencement date of settlement
- April 26, 2021 (Monday)

2. Overview of the Tender Offer

The Offeror is a stock company incorporated on February 24, 2021 for the primary purpose of holding the Target's Shares through the Tender Offer, and as of the date hereof, Mr. Qian Kun, the President and Founder and the second largest major shareholder of the Target ("Mr. Qian") holds 25.00% of the voting rights represented by the common shares, Mr. Takaaki Suzuki, CTO and Representative Director and the largest major shareholder of the Target holds 25.00% of the voting rights represented by the common shares, and BCPE Wish Cayman, L.P., which is held and managed by Bain Capital Private Equity, LP and its group, holds 50.00% of the voting rights represented by the common shares, respectively. As of the date hereof, the Offeror does not own the Target's Shares.

The Offeror will carry out the Tender Offer by acquiring all of the Target's Shares listed on TSE Mothers Market (including the Target's Shares to be delivered upon the exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Target, all of the Target's Shares held by Mr. Qian, all of the Target's Shares held by Mr. Suzuki, all of the Target's Shares held by K.K. QK, an asset management company of which 51.00% of its issued shares is held by Mr. Qian and the fourth largest shareholder ("QK"), all of the Target's Shares held by K.K. SY, an asset management company of which 51.00% of its issued shares is held by Mr. Qian and the eighth largest shareholder ("SY"), all of the Target's Shares held by Ms. Rie Yamada, the spouse of Mr. Qian ("Ms. Yamada"), and all of the Target's Shares held respectively by Mr. Yasuyuki Kashiwaya (the ninth largest shareholder; "Mr. Kashiwaya"), Mr. Katsuya Uenoyama ("Mr. Uenoyama"), Mr. Yusuke Sato ("Mr. Sato") and Mr. Nobusuke Akimoto ("Mr. Akimoto") who are friends of Mr. Qian (collectively, Mr. Kashiwaya, Mr. Uenoyama, Mr. Sato and Mr. Akimoto) shall be referred to hereafter as the "Non-accepting Friend Shareholders"; collectively, Mr. Qian, Mr. Suzuki, QK, SY, Ms. Yamada and the Non- accepting Friend Shareholders shall be referred to hereafter as the "Non-accepting Shareholders")) and all of the Stock Acquisition Shares (excluding the Stock Acquisition Rights held by the Non-accepting Shareholders), as part of a series of transactions (the "Transaction") for the purpose of taking the Target's Shares private.

The Transaction falls under the so-called Management Buyout (MBO) (Note), in which Mr. Qian and Mr. Suzuki are involved as the offerors, and Mr. Qian and Mr. Suzuki are expected to continue to be engaged in management of the Target after the successful completion of the Tender Offer.

(Note) "Management Buyout (MBO)" refers to a transaction in which the offeror carries out a tender offer based on an agreement with the officers of the target, and shares a common interest with such officer of the target.

3. Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition")

If the Offeror cannot acquire all the Target's Shares (including the Target's Shares to be delivered upon the exercise of the Stock Acquisition Rights but excluding the treasury shares held by the Target and the Target's Shares not tendered to the Tender Offer by the Non-accepting Shareholders) through the Tender Offer, the Offeror plans to carry out the process which would make the Target's Shares go private (the "Squeeze-out Process") by the following means after the successful completion of the Tender Offer, as described in "2. Overview of the Tender Offer" above."

Specifically, the Offeror intends to request the Target to hold the Extraordinary Shareholders' Meeting to approve the Share Consolidation and to amend its Articles of Incorporation to abolish the provision concerning less than one unit shares subject to the consolidation of Target's Shares (the "Share Consolidation") becoming effective, pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same) promptly after the settlement of the Tender Offer. The Offeror considers it desirable to hold the Extraordinary Shareholders' Meeting as early as possible from the viewpoint of improving the corporate value of the Target, and intends to request the Target to give a public notice of the record date so that the record date for the extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") will fall on the commencement date of the settlement of the Tender Offer (scheduled for April 27, 2021) or the date close thereto. The Offeror will make such request even if the voting rights of the Target held by the Offeror and Non-accepting Shareholders after the Tender Offer fall below two-thirds of the total voting rights of the Target. According to the press release of the Target, if the Target receives such request from the Offeror, the Target intends to comply therewith. The Offeror and the Non-accepting Shareholders intend to approve the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal regarding the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the Target's shareholders will own the number of the Target's Shares in proportion to the share consolidation ratio as approved in the Extraordinary Shareholders' Meeting as of the date when the Share Consolidation becomes effective. If there are any fractional shares upon the Share Consolidation, the amount of cash corresponding to the amount obtained by selling the Target's Shares equivalent to the total number of fractional shares (if the aggregated number of entitlements to fractional shares includes a fractional number, such fractional number will be rounded down) to the Target or the Offeror will be delivered to the Target's shareholders in accordance with the procedures under Article 235 of the Companies Act and other relevant laws and regulations. Concerning the sales price of the Target's Shares corresponding to the aggregated number of fractional shares, a petition for voluntary disposal permission will be filed with the court after calculating that the amount of cash to be delivered to the Target's shareholders (excluding Mr. Qian, Mr. Suzuki and the Target) who did not tender their shares to Mr. Qian, Mr. Suzuki and the Tender Offer (the "Prospective Surviving Shareholders") will be equal to the amount calculated by multiplying the Tender Offer Price by the number of the Target's Shares held by such shareholders. Although the share consolidation ratio for the Target's Shares is undetermined as of the date hereof, it is intended that the share consolidation ratio will be determined so that the number of

the Target's Shares held by the Target's shareholders (excluding Mr. Qian, Mr. Suzuki and the Target) who did not tender their shares to the Tender Offer will be a fractional number of less than one share, which will enable the Offeror to hold all the Target's Shares (excluding treasury shares held by the Target). However, if there are Target's shareholders (other than the Prospective Surviving Shareholders) who hold the number of Target's Shares equal to or greater than the smallest number of the Target's Shares held by any of the Offeror (the "Majority Shareholders"), the ratio of consolidation for the Target's Shares may be such that only the Prospective Surviving Shareholders who hold not less than the number of Target's Shares (excluding treasury shares held by the Target) held by the Majority Shareholders hold all of the Target's Shares as a result of the Share Consolidation. The details of the procedures regarding the Share Consolidation will be promptly announced by the Target once decided upon mutual consultation between the Offeror and the Target.

Regarding the provisions under the Companies Act aimed at protecting general shareholders' interests in relation to the Share Consolidation, if there are any fractional shares when the Share Consolidation is conducted, the Target's shareholders (excluding the Offeror, the Non-accepting Shareholders and the Target) may, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, demand the Target to purchase all fractional shares of the Target's Shares that the relevant shareholders hold at a fair price, and may file a petition to determine the price under appraisal rights of such Target's Shares. As mentioned above, in the Share Consolidation, the number of the Target's Shares held by the Target's shareholders (excluding Mr. Qian, Mr. Suzuki and the Target) who did not tender their shares to the Tender Offer will be a fractional number of less than one share. The Target's shareholders who disapprove of the Share Consolidation will be able to file the above petition. The purchasing price under appraisal rights if these petitions are filed will be ultimately determined by the court.

Regarding the above procedures, depending on any revisions to and enforcement of the relevant laws and regulations, interpretation thereof by authorities, there is a possibility that it may take time to implement them or that changes may be made to the method of implementation. In such case, however, the Offeror plans to adopt such method that enables each of the Target's shareholders (excluding Mr. Qian, Mr. Suzuki and the Target but this does not apply when the Majority Shareholders exist as stated above) not having tendered his or her shares to the Tender Offer to ultimately receive cash. If such method is adopted, it is intended that the amount of such cash to be delivered to each of the relevant Target's shareholders will be calculated to be equal to the price produced by multiplying the Tender Offer Price by the number of the Target's Shares held by such shareholder. The details of the above procedures and the timing of implementation thereof will be promptly announced by the Target once decided upon negotiation between the Offeror and the Target.

In addition, if the Offeror fails to acquire all of the Stock Acquisition Rights (excluding the Stock Acquisition Rights held by the Non-accepting Shareholders) in the Tender Offer despite the completion of the Tender Offer, the Offeror intends to promptly request the Target to implement procedures reasonably necessary for the implementation of the Transaction, such as acquisition of the Stock Acquisition Rights and recommendation to the holders of the Stock Acquisition Rights ("the Stock Acquisition Rights Holders") to abandon the Stock Acquisition Rights.

The Tender Offer is not intended to solicit the votes of the Target's shareholders in favor of the resolutions to be proposed at the Extraordinary Shareholders' Meeting. Each shareholder and Stock Acquisition Rights Holders should consult with his or her tax advisor, at his or her own responsibility, regarding the tax treatment relating to the Tender Offer or under each of the above procedures.

4. Prospects for delisting and its reasons

The Target's Shares are currently listed on the TSE Mothers Market as of the date hereof. Because the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Target's Shares may be delisted through prescribed procedures in accordance with the stock delisting criteria established by the TSE, depending on the results of the Tender Offer. Also, even in the case where the Target's Shares do not fall under that criteria as of the successful completion of the Tender Offer, the Offeror will carry out the Squeeze-out Process set out in "3. Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition"))" above. In such case, the Target's Shares will fall under the criteria and will therefore be delisted through the prescribed procedures in accordance with the stock delisting criteria established by the TSE. After delisting, the Target's Shares can no longer be traded on the TSE.

The Offeror does not set any minimum number of tendered shares to be purchased in the Tender Offer. For this reason, the total number of voting rights of the Target held by the Offeror and the Non-accepting Shareholders may fall below two-thirds of the voting rights of all shareholders of the Target after the completion of the Tender Offer. As a result, if the proposal regarding the Share Consolidation described in "3. Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition"))" above fails to obtain an approval at the Extraordinary Shareholders' Meeting and the Share Consolidation is not implemented, the listing of the Target's Shares will be maintained for the time being. The Offeror currently intends to make the Target's Shares go private, and even if the proposal for the Share Consolidation is rejected at the Extraordinary Shareholders' Meeting, the Offeror may consider making the Target's Shares go private in some way, including any acquisition of additional Target's Shares; however, whether or not the Offeror proceed with the additional acquisition of the Target's Shares will be considered after taking into consideration the status of the tender in the Tender Offer and the subsequent trend of the market share price, the degree of pros and cons of the proposal for the Share Consolidation at the Extraordinary Shareholders' Meeting, and whether or not the Target will be able to obtain the approval of the Offeror once again; therefore, nothing is determined at this point. On the other hand, the ratio of voting rights exercised by the Target at the annual shareholders' meeting was 68.08% for the 10th Annual Shareholders' Meeting for fiscal year ended in September, 2019 and 54.39% for the 11th Annual Shareholders' Meeting for fiscal year ended in September, 2020. Even if the total number of voting rights of the Target held by the Offeror and the Non-accepting Shareholders may fall below two-thirds of the voting rights of all shareholders of the Target after the completion of the Tender Offer, there is a possibility that the proposal for the Share Consolidation will be approved at the Extraordinary Shareholders' Meeting, and in such a case, the Target's Shares will be delisted through prescribed procedures in accordance with the delisting criteria of the TSE.

For further details of the Tender Offer, please refer to the Tender Offer Registration Statement regarding the Tender Offer to be filed on March 8, 2021 by the Tender Offeror.

END