

For Immediate Release

Company Name: IGNIS LTD.
Representative: Qian Kun, President and Founder
(Securities Code: 3689, Mothers Market of the Tokyo
Stock Exchange)
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Notice Regarding Share Consolidation, Abolishment of Provision on Share Units, and Partial Amendment of Articles of Incorporation

We hereby give notice that at a Board of Directors meeting held today, the Company decided to propose resolutions at the Company's extraordinary general shareholders' meeting (the "Extraordinary Shareholders' Meeting") scheduled to be held on June 10, 2021 regarding a share consolidation, the abolishment of the provision on share units, and a partial amendment of the Articles of Incorporation, as follows.

In the course of the above procedures, the Company's common shares ("Shares") will satisfy the criteria for delisting specified in the securities listing rules of the Tokyo Stock Exchange, Inc. (the "TSE"). For this reason, the Shares are scheduled to be delisted on June 30, 2021. Please remember that after the delisting it will not be possible to trade Shares on the Mothers market (the "TSE Mothers Market") established by the TSE.

I. Share Consolidation

1. Purpose of and Reasons for Implementing the Share Consolidation

As set forth in the "Notice Regarding Implementation of Management Buyout and Recommendation to Tender Shares" released on March 5, 2021 (including the amendment under the "Partial Amendment of 'Notice Regarding Implementation of Management Buyout and Recommendation to Tender Shares' [Amendment]" released on March 30, 2021; hereinafter the "Opinion Press Release"), K.K. i3 (the "Tender Offeror") has decided to conduct a tender offer (the "Tender Offer") as a part of a series of transactions (the "Transaction") for a so-called management buyout (MBO) (note 1) for the purpose of acquiring all of the Shares (including Shares delivered as a result of the exercise of Stock Acquisition Rights (note 2) but excluding treasury shares held by the Company, all of the Shares held by Mr. Qian Kun, who is the Company's president and representative director of the Tender Offeror and was the second largest shareholder ("Mr. Qian"), all of the Shares held by Mr. Takaaki Suzuki ("Mr. Suzuki"), who is the Company's CTO and representative director and was the largest shareholder, 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 was 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 was 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 Mr. Takuya Tanabe (“Mr. Tanabe”), who is a friend of Mr. Qian (collectively, “Non-accepted Shares for Tendering” (note 3))) and Stock Acquisition Rights (excluding the Stock Acquisition Rights held by the Non-accepting Shareholders), which are listed on the TSE Mothers Market. The above ranking of major shareholders is based on the number of shares held by each shareholder as of March 5, 2021. The same shall apply hereinafter.

When conducting the Tender Offer, the Tender Offeror entered into a 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 is the fifth largest shareholder; SK has tendered the 269,300 shares that it agreed to tender in the Tender Offer, and the settlement therefor has been completed.

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

(Note 2) “Stock Acquisition Rights” collectively means the following stock acquisition rights:

- (i) 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) 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) 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) 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) 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”) (exercise period from March 23, 2018 to March 22, 2021).

(Note 3) The total number of the Non-accepted Shares for Tendering is 7,894,800 shares (shareholding ratio (note 4): 48.08%) (Mr. Qian (number of shares held: 2,865,900 shares; shareholding ratio: 15.94%), 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%), 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%), 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%)), and Mr. Tanabe (number of shares held: 14,000 shares; shareholding ratio: 0.09%)).

(Note 4) Here and hereafter, the “shareholding ratio” is the ratio (rounded to the second digit after the decimal) to (i) the total 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: 751,100 shares))) (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).

As set forth in the “Notice Regarding Results of Tender Offer by K.K. i3 for Shares, etc. and Changes of Other Associated Company and Largest Shareholder as a Major Shareholder” released by the Company on April 20, 2021 (including the corrections provided in the “(Change) Announcement on Partial Change to “Notice Regarding Results of Tender Offer by K.K. i3 for Shares etc. and Changes of Other Associated Company and Largest Shareholder as a Major Shareholder”” announced on May 12, 2021), the Tender Offeror carried out the Tender Offer from March 8, 2021 to April 19, 2021, and as a result, as of April 26, 2021 (the day of commencement of settlement of the Tender Offer), the Tender Offeror now holds 6,922,007 shares and 2,950 units of the Stock Acquisition Rights (number of shares subject to the stock acquisition rights: 55,400 shares) (shareholding ratio: 42.5%).

As announced in the Opinion Press Release, as of May 12, 2021, the Company’s 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 5), 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 5) 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 6) business, which is the business of planning, developing, and operating software for medical institutions for the purpose of online medical examinations.

(Note 6) “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 Private Equity, LP and its group (collectively, “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.

Mr. Qian, Mr. Suzuki and Bain Capital (the "Tender Offeror Group") commenced discussions in late 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.

The Company received the Written Proposal from the Tender Offeror Group on December 24, 2020, and in considering the particulars of these intentions, on December 30, 2020, in order to ensure the fairness of the purchase etc. price per Share in the Tender Offer ("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 "(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest" in "3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation" 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 purchase etc. prices per Stock Acquisition Right in the Tender Offer (the "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 “(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest” in “3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation” 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” under “(2) Grounds and Reasons for Opinion on the Tender Offer” in “3. Substance of and Grounds and Reasons for Opinion Relating to Tender Offer” in the Opinion Press Release 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 (lifetime value) 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.

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 “(ii) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency” in “(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest” in “3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation” 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 “(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest” in “3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation” below 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 (as defined in “4. Future Prospects”) and the Dividends in Kind (as defined in “4. Future Prospects”) 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 on March 5, 2021, 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.

Subsequently, the Company received notice from the Tender Offeror on March 19, 2021 stating that there would be a change in the shareholding ratio of Mr. Qian as a result of the change in the registered shareholder of the Shares for which Elements Capital Research Godo Kaisha (“Elements Capital”), which was the third largest shareholder, was the pledgee and that the Tender Offeror would execute a non-tender agreement with Mr. Tanabe (the “Non-tender Agreement (Mr. Tanabe)”), and on March 24, 2021, the Company received notice from the Tender Offeror stating that there would be a change in the shareholding ratio of Mr. Qian as a result of the exercise by Daiwa Securities Co. Ltd. (“Daiwa Securities”) of the pledge created on part of the Shares for which Mr. Qian is recorded as the owner in the Company’s shareholder register. At the meeting of the Board of Directors held on March 30, 2021, 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 maintain the above opinion on the Tender Offer and tendering in the Tender Offer after the change to the scheme of the Transaction.

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.

Subsequently, the Tender Offer was completed as set forth above, but because the Tender Offeror was unable to acquire all of the Shares (including Shares delivered as a result of the exercise of Stock Acquisition Rights but excluding all of the treasury shares held by the Company and Non-accepted Shares for Tendering) through the Tender Offer, as announced in the Opinion Press Release, in response to a request by the Tender Offeror, in order to keep only Mr. Qian, Mr. Suzuki and the Tender Offeror as the shareholders of the Company, the Company passed a resolution at a meeting of the Board of Directors held today to hold the Extraordinary Shareholders’ Meeting and, in order to take the Shares private, subject to the approval of shareholders at the Extraordinary Shareholders’ Meeting, the Company would like to carry out a share consolidation (the “Share Consolidation”) at a ratio of 1,302,729 Shares to one as set forth in “(2) Particulars of Share Consolidation” of “2. Overview of

Share Consolidation” below.

It is planned that, through the Share Consolidation, the Shares held by shareholders other than Mr. Qian, Mr. Suzuki and the Tender Offeror will become fractional shares less than one share.

2. Overview of Share Consolidation

(1) Schedule of Share Consolidation

Announcement date of extraordinary general shareholders meeting record date	April 9, 2021 (Friday)
Extraordinary general shareholders meeting record date	April 27, 2021 (Tuesday)
Date of resolution by Board of Directors	May 12, 2021 (Wednesday)
Date of extraordinary general shareholders meeting	June 10, 2021 (Thursday) (tentative)
Delisted stock designation date	June 10, 2021 (Thursday) (tentative)
Final trading date for Shares	June 29, 2021 (Tuesday) (tentative)
Date of delisting of Shares	June 30, 2021 (Wednesday) (tentative)
Effective date of Share Consolidation	July 2, 2021 (Friday) (tentative)

(2) Particulars of Share Consolidation

(i) Class of shares to be consolidated

Common shares

(ii) Consolidation ratio

Every 1,302,729 shares of the Shares will be consolidated into one share.

(iii) Reduction in total number of outstanding shares

15,632,744 shares

(iv) Total number of outstanding shares prior to Share Consolidation taking effect

15,632,756 shares (note 7)

(Note 7) The total number of outstanding shares prior to the Share Consolidation taking effect is the number of issued shares of the Company as of December 31, 2020 (15,676,400 shares) set forth in the quarterly report for the first quarter of the 12th fiscal term submitted by the Company on February 12, 2021 *less* the number of treasury shares that the Company holds as of April 27, 2021 (43,644 shares), which are scheduled to be retired on July 1, 2021, in accordance with the resolution of the meeting of the Board of Directors held today.

(v) Total number of outstanding shares after Share Consolidation taking effect

12 shares

(vi) Total number of authorized shares as of effective date

48 shares

(vii) Method of processing fractional shares less than one share and amount of cash expected to be delivered to shareholders through such processing

(a) Whether the Company intends to proceed pursuant to the provision of Article 235(1) of the Companies Act, or Article 234(2) as applied *mutatis mutandis* pursuant to Article 235(2) of the same Act, and the reason therefor;

As set forth in “1. Purpose of and Reasons for Implementing the Share Consolidation” above, it is planned that, through the Share Consolidation, the Shares held by shareholders other than Mr. Qian, Mr. Suzuki and the Tender Offeror will become fractional shares less than one share.

With respect to fractional shares less than one share arising from the Share Consolidation, shares

equal to the total number (in accordance with Article 235, paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same), if the total number includes a fraction of less than one share, such fraction will be discarded) will be sold in accordance with Article 235 of the Companies Act and other applicable laws and regulations, and the proceeds obtained through such sale will be delivered to shareholders in proportion to their fractional shares. With respect to such sale, in view of the fact that the Share Consolidation is to be carried out as part of the Transaction which keeps only Mr. Qian, Mr. Suzuki and the Tender Offeror as the shareholders of the Company, and that the Shares will be delisted as of June 30, 2021 and will become non-marketable shares, it is unlikely that a new buyer will appear through an auction process, and thus it is planned that the shares will be sold with the permission of the court pursuant to the provisions of Article 234, paragraph (2) of the Companies Act applied *mutatis mutandis* under Article 235, paragraph (2) of the same Act.

The sale price in such case, if the above permission of the court is obtained as planned, is planned to be set at a price that makes it possible to deliver to each shareholder cash in the amount obtained by multiplying the number of Shares held by the shareholder by JPY 3,000, which is the same amount as the Tender Offer Price.

(b) The name of the person who is likely to become the purchaser of the shares pertaining to the sale

K.K. i3, the Tender Offeror

(c) The manner by which a person who is expected to purchase the shares pertaining to the sale secures funds for payment of the purchase price pertaining to the sale, and the adequacy of such method

The Company checked that the Tender Offeror is able to secure funds for the acquisition of the Shares equivalent to the total amount of fractional shares less than one share resulting from the Share Consolidation by a certificate dated March 4, 2021 from BCPE Wish Cayman, L.P. (“BCPE Wish Cayman”), which is owned and managed by Bain Capital and owns 50.00% of the voting rights for the common shares of the Tender Offeror, stating that it is prepared to make an investment of up to 30,000,000 thousand yen in the Tender Offeror.

Therefore, the Company has determined that the method of securing funds for the payment of proceeds from the sale of fractional shares by the Tender Offeror is appropriate.

(d) The timing of the sale and the prospect of the timing of the delivery of proceeds from the sale to the shareholders

After the Share Consolidation becomes effective, the Company intends to petition the court for permission to sell the Shares equivalent to all fractional shares less than one share resulting from the Share Consolidation by around mid-July 2021 pursuant to the provisions of Article 234, paragraph (2) of the Companies Act applied *mutatis mutandis* under Article 235, paragraph (2) of the same Act. The timing of obtaining such permission may vary depending on the circumstances of the court, but the Company expects to sell the Shares by early August 2021 with the permission of the court, and after making the necessary preparations to deliver the proceeds of the sale to the shareholders, the Company expects to deliver the proceeds to the shareholders around the end of August 2021.

In consideration of the period required for the series of procedures relating to the sale from the effective date of the Share Consolidation, we believe that at each timing as mentioned above, the Shares equivalent to the sum of all fractional shares less than one share resulting from the Share Consolidation will be sold and the proceeds will be delivered to the shareholders.

The proceeds of the sale will be delivered to each shareholder in the final shareholders register as of July 1, 2021, the day before the effective date of the Share Consolidation, in accordance with the manner of delivery of the dividend distribution; provided, however, those shareholders whose

method of receiving dividends is designated in the securities account (proportional distribution method to the number of shares) shall receive dividends in cash at the bank counter of JP Bank, etc.

3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation

(1) Grounds and Reasons for Amount of Cash Expected to be Delivered to Shareholders through Processing of Fractions

- (i) Matters considered to avoid harming the interests of the Company's shareholders other than the parent company etc. in cases where there is a parent company etc.

Given that the Share Consolidation is to be carried out as the second step in the so-called two-step acquisition of the Tender Offer, and 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 measures set out in “(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflicts of Interest” to ensure the fairness of the Transaction including the Tender Offer and the Share Consolidation.

- (ii) Method of processing fractional shares less than one share, amount of cash expected to be delivered to shareholders through such processing, and matters relating to the appropriateness of such amount

In the Share Consolidation, as set forth in “(vii) Method of processing fractional shares less than one share and amount of cash expected to be delivered to shareholders through such processing” of “(2) Particulars of Share Consolidation” of “2. Overview of Share Consolidation” above, the Company plans to deliver to all shareholders cash in the amount obtained by multiplying the number of Shares held by the shareholders by JPY 3,000, which is the same amount as the Tender Offer Price.

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 “(ii) Procuring a Share Valuation Report from an Independent Third-Party Valuation Agency” in “(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest” 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% 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, 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 “(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest” below 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.

The Company received notice from the Tender Offeror on March 19, 2021 stating that there would be a change in the shareholding ratio of Mr. Qian as a result of the change in the registered shareholder of the Shares for which Elements Capital was the pledgee and that Mr. Tanabe would execute the Non-tender Agreement (Mr. Tanabe), and on March 24, 2021, the Company received notice from the Tender Offeror stating that there would be a change in the shareholding ratio of Mr. Qian as a result of the exercise by Daiwa Securities of the pledge created on the Shares. At the meeting of the Board of Directors held on March 30, 2021, the Company confirmed that it will maintain its decision on the Transaction after the change to the scheme of the Transaction.

The Company expressed an opinion in favor of the Tender Offer and passed a resolution recommending the Company's shareholders to tender their shares in the Tender Offer at a meeting of the Board of Directors held on March 5, 2021 and a resolution maintaining its opinion on the Tender Offer and tendering in the Tender Offer at a meeting of the Board of Directors held on March 30, 2021. Following such resolutions, the Company, after carefully reconsidering the conditions for the Transaction in light of the status of the Company's shareholders tendering their shares in the Tender Offer and the shift in the market value of the Company until today and the like, confirmed at a meeting of the Board of Directors held today that there are no reasons for changing its determination regarding the Transaction.

On the basis of the foregoing, the Company has determined that the amount of cash expected to be delivered to shareholders in accordance with the method of processing fractional shares and processing of fractional shares is reasonable.

- (iii) Disposal of material assets, assumption of large obligations, and other events having a material effect on the status of company finances arising since the last day of the Company's last business year

As set forth in "1. Purpose of and Reasons for Implementing the Share Consolidation" above, the Tender Offeror carried out the Tender Offer with the period from March 8, 2021 to April 19, 2021 as the Tender Offer Period, and as a result, as of April 26, 2021 (the day of commencement of settlement of the Tender Offer), the Tender Offeror now holds 6,922,007 Shares and 2,950 units of the Stock Acquisition Rights (number of shares subject to the stock acquisition rights: 55,400 shares) (shareholding ratio: 42.5%).

Further, at a meeting of the Board of Directors held today, the Company passed a resolution to

retire the Company's 43,644 treasury shares (all of the shares held by the Company as of April 27, 2021) on July 1, 2021. The retirement of treasury shares is subject to the proposal relating to the Share Consolidation being passed as in the original draft at the Extraordinary Shareholders' Meeting, and the total number of outstanding shares of the Company after retirement will be 15,632,756 shares.

(2) Expectation of Delisting

(i) Delisting

As set forth in "1. Purpose of and Reasons for Implementing the Share Consolidation" above, in order to keep only Mr. Qian, Mr. Suzuki and the Tender Offeror as the shareholders of the Company, the Company will implement the Share Consolidation subject to shareholders' approval at the Extraordinary Shareholders' Meeting. For this reason, the Shares are planned to be delisted through the prescribed procedures in accordance with the delisting standards of the TSE.

As for the schedule, after being designated as delisted stock between June 10, 2021 and June 29, 2021, the delisting is planned to take effect on June 30, 2021. After the delisting, it will cease to be possible to trade Shares on the TSE Mothers Market.

(ii) Reasons for pursuing delisting

As set forth in "1. Purpose of and Reasons for Implementing the Share Consolidation" above, it has been determined that taking the Shares private through the Transaction will contribute to improving the corporate value of the Company Group.

(iii) Impact on minority shareholders and rationale therefor

As set forth in "(i) Establishment of the Special Committee at the Company; Procuring a Written Report" of "(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest" below, on March 5, 2021, the Company received submission of a written response from the Special Committee to the effect that the Transaction is not disadvantageous to the Company's minority shareholders (general shareholders).

(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest

Given that the Share Consolidation is to be carried out as the second step in the so-called two-step acquisition of the Tender Offer, and 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 the Company, the Tender Offeror, the Non-accepting Shareholders, Mr. Tanabe and the Accepting Shareholder

(collectively, “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 “Notice Regarding Implementation of Management Buyout and Recommendation to Tender Shares” dated March 5, 2021 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. Even taking into consideration the fact that the Company received notice from the Tender Offeror on March 19, 2021 stating that there would be a change in the shareholding ratio of Mr. Qian as a result of the change in the registered shareholder of the Shares for which Elements Capital was the pledgee and that Mr. Tanabe would execute the Non-tender Agreement (Mr. Tanabe), and the fact that on March 24, 2021, the Company received notice from the Tender Offeror stating that there would be a change in the shareholding ratio of Mr. Qian as a result of the exercise by Daiwa Securities of the pledge created on part of the Shares for which Mr. Qian is recorded as the owner in the Company’s shareholder register, the Special Committee confirmed that there is no change in the details of the matters reported below. The “shares that the Non-accepting Shareholders will not tender in the Tender Offer” and the “shares held by the Non-accepting Shareholders” stated in the reasons for giving the opinions in the Report below mean the Shares held by the Non-accepting Shareholders as of March 5, 2021 (total number of shares held: 7,631,500 shares; shareholding ratio: 46.48%).

(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" in the Opinion Press Release 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 "1. Purpose of and Reasons for Implementing the Share Consolidation" 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 process to make the Company go

private (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. Further, 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.

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, 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” above. 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 on March 5, 2021, 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.

(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 “1. Purpose of and Reasons for Implementing the Share Consolidation” 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 on March 5, 2021, 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. Future Prospects

In conjunction with the implementation of the Share Consolidation, as set forth in “(i) Delisting” of “(2) Expectation of Delisting” of “3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation” above, it is planned that the Shares will be delisted.

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, 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 future management structure including the composition of Company officers through discussions with the Company after the completion of the Transaction.

The Tender Offeror secured JPY 21.1 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 applied those funds to settlement of the Tender Offer and so on. The Class Shares (i) were issued on April 22, 2021. The Class Shares (i) have no voting rights and have put options allowing them to be exchanged for common stock (note 8), and BCPE Wish Cayman subscribed for all of those shares. BCPE Wish Cayman will not exercise the put options before the completion of the Transaction.

In connection with the Tender Offer, Mr. Qian, Mr. Suzuki, BCPE Wish Cayman and the Tender Offeror entered into the Shareholders Agreement 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 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 a basic agreement (“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, 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. However, when Mr. Qian commenced such consultations and negotiations with Elements Capital after the commencement of the Tender Offer, it was discovered that the reason that the owner of those shares was Elements Capital was

that although the parties intended only to create a pledge, title of such shares were transferred due to an error in the application and registration procedures, and further that although the secured obligations under the pledge were expected to be obligations that would arise in the future, those secured obligations had not arisen, and therefore Elements Capital agreed on March 9, 2021 to change the ownership of all of the Shares for which Elements Capital was recorded as the owner in the Company's shareholder register from Elements Capital to Mr. Qian in the Company's shareholder register, and the change in the registered shareholder of those shares was completed on March 22, 2021. 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 immediately before the effective date of the Absorption-type Merger, 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.

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, to the shareholders of the Tender Offeror at that time (note 9) 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 the Tender Offeror Group.

(Note 8) 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.

- (Note 9) With respect to both the Tender Offeror and with Inc. after the Dividends in Kind, Mr. Qian will hold approximately 15.8% of their common stock, Mr. Suzuki will hold approximately 23.6% of their common stock, and BCPE Wish Cayman will hold approximately 60.6% 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.

5. Matters Relating to Transactions etc. with Controlling Shareholder

Because the Tender Offeror today corresponds to the Company's parent company, transactions relating to the Share Consolidation constitute transactions with the controlling shareholder.

(1) Status of Compliance with Guidelines relating to Policy to Protect Minority Shareholders in Transactions etc. with the Controlling Shareholder

Since the Tender Offeror is the Company's parent company, the approval of the Share Consolidation by the Board of Directors of the Company constitutes transactions with the controlling shareholder.

In the Corporate Governance Report disclosed by the Company on April 26, 2021, the Company has not established the "guidelines relating to policy to protect minority shareholders in transactions etc. with the controlling shareholder" However, in the case of transactions with the parent company, the Company's basic policy is to check the appropriateness and economic rationality of the content of the transactions, including whether it is equivalent to independent transaction conditions, and to take appropriate measures to ensure that minority shareholders are not disadvantaged when deciding the terms and conditions of transactions with the parent company.

In relation to the Transaction, which includes the Tender Offer, as set forth in "(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest" of "3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation" above, the Company has taken measures for ensuring fairness and measures for avoiding conflicts of interest, and it is considered that such treatment is in compliance with the above guidelines.

(2) Matters Relating to Measures for Ensuring Fairness and Measures for Avoiding Conflicts of Interest

See "(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest" in "3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation" above.

(3) Overview of Opinion Obtained from Person Having No Conflict of Interest with Controlling Shareholder that the Transaction is Not Disadvantageous to Minority Shareholders

The Company received submission of a written report from the Special Committee dated March 5, 2021 that the Transaction is not disadvantageous to minority shareholders. For details, see "(i) Establishment of a Special Committee at the Company; Procuring a Written Report" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Prevent Conflict of Interest" in "3. Grounds etc. for Amount of Cash to be Delivered to Shareholders Through Processing of Fractions for the Share Consolidation" above. Since the Written Report refers to the Transaction including the Share Consolidation, the Company has not obtained another opinion from a person having no conflict of interest with the Controlling Shareholder in conducting the Share Consolidation.

II. Abolishment of the Provision on Share Units

1. Reasons for Abolishment

In the case where the Share Consolidation takes effect, the Company's total number of outstanding shares will be 12 shares, and it will cease to be necessary to specify the number of shares in a share unit.

2. Planned Delisting Date

July 2, 2021 (Friday) (tentative)

3. Conditions of Delisting

The delisting is subject to the proposal for the Share Consolidation and the proposal for partial amendment of the Articles of Incorporation to abolish the provision on share units being passed as in the original drafts at the Extraordinary Shareholders' Meeting, and the Share Consolidation taking effect.

III. Partial Amendment of Articles of Incorporation

1. Purpose of Amendment of Articles of Incorporation

- (1) If the current draft of the proposal for the Share Consolidation is approved and the Share Consolidation takes effect, in accordance with Article 182, paragraph (2) of the Companies Act, the Company's total number of authorized shares will be reduced to 48 shares. To clarify this point, subject to the Share Consolidation taking effect, Article 5 (Total Number of Authorized Shares) of the Articles of Incorporation will be amended.
- (2) If the proposal for the Share Consolidation is approved as in the current draft and the Share Consolidation takes effect, the Company's total number of outstanding shares will be 12 shares, and it will cease to be necessary to specify the number of shares in a share unit. Subject to the Share Consolidation taking effect, in order to abolish the provision that currently makes 100 shares the share unit for the Shares, the entire text of Article 7 (Number of Shares in Share Unit) and Article 8 (Restriction on Rights of Holders of Shares Less Than One Share Unit), will be deleted entirely, and in conjunction with these amendments the article numbers will be shifted up.

2. Content of Articles of Incorporation

The amendments are as follows. Provided that the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting as in the current draft, and the Share Consolidation takes effect, these amendments of the Articles of Incorporation are scheduled to take effect on July 2, 2021, which is the effective date of the Share Consolidation.

(Underlining shows the amended portions.)

Current Articles of Incorporation	Draft Amendment
Article 5. Total Number of Authorized Shares The Company's total number of authorized shares shall be <u>6,000,000,000</u> shares.	Article 5. Total Number of Authorized Shares The Company's total number of authorized shares shall be <u>48</u> shares.
(Omitted)	(Omitted)
<u>Article 7. Number of Shares in Share Unit</u> <u>The number of shares of the Company in one share unit shall be 100 shares.</u>	(Deleted)
<u>Article 8. Restriction on Rights of Holders of Shares Less Than One Share Unit</u> <u>Holders of shares less than one share unit of the</u>	(Deleted)

<p><u>Company may not exercise any rights, except for the following rights:</u></p> <p><u>(1) The rights set forth in the items of the Companies Act, Article 189, paragraph (2);</u></p> <p><u>(2) The right to make demands for acquisition of shares with put options; and</u></p> <p><u>(3) The right of shareholders to receive allotment of subscription shares or stock acquisition rights for subscription in proportion to the number of shares.</u></p> <p>Article <u>2</u>–Article <u>42</u> (Omitted)</p>	<p>Article <u>7</u>–Article <u>40</u> (Unchanged from current version)</p>
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3. Schedule for Amendment of Articles of Incorporation
July 2, 2021 (Friday) (tentative)

End