

[Translation]  
September 7, 2021

To Whom It May Concern:

Name of Listed Company    NIPPO CORPORATION  
Representative    Yoshikazu Yoshikawa, President and  
   Representative Director  
(Code: 1881; First Section of the Tokyo Stock Exchange and  
Sapporo Securities Exchange (Existing))  
Contact Information    Katsuya Shingyoku  
   General Manager of Corporate Planning  
(TEL: 03-3563-6741)

Company Name    Roadmap Holdings GK  
Representative    Man Kinoshita, Managing Officer  
(TEL: 03-6439-0010)

**Notice Concerning Planned Commencement of Tender Offer for  
Share Certificates of NIPPO CORPORATION (Securities Code: 1881)  
by Roadmap Holdings GK**

This is to announce that Roadmap Holdings GK released the "Notice Concerning Planned Commencement of Tender Offer for Share Certificates of NIPPO CORPORATION (Securities Code: 1881)" attached hereto today.

End

The purpose of this document is to, in accordance with Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act, make an announcement based on a request that Roadmap Holdings GK (the tender offeror) made to NIPPO CORPORATION (the target company of the tender offer).

(Attachment)

"Notice Concerning Planned Commencement of Tender Offer for Share Certificates of NIPPO CORPORATION (Securities Code: 1881)" as of September 7, 2021.

[Translation]

September 7, 2021

To Whom It May Concern:

Company Name: Roadmap Holdings GK

Representative: Man Kinoshita, Managing Officer

Telephone number: 03-6439-0010

## **Notice Concerning Planned Commencement of Tender Offer for Share Certificates of NIPPO CORPORATION (Securities Code: 1881)**

Roadmap Holdings GK (the "Tender Offeror") announces that it resolved today to acquire shares of the common stock (the "Target Company Shares") of NIPPO CORPORATION (the "Target Company") through a tender offer (pursuant to the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Act") and any related laws and regulations, the "Tender Offer") as described below.

While a certain amount of time is expected to be required in order to process the procedures and measures required under the antitrust laws of the EU, People's Republic of China, Republic of Korea and Ukraine (the "Areas Subject to Notification Under Antitrust Laws") in relation to the Tender Offer, the Tender Offer will be conducted promptly after certain conditions, including, but not limited to, the completion of the relevant procedures and measures (for more details, see "(i) Transaction Agreement" under "(4) Material Agreement Concerning the Tender Offer" under "1 Purpose of the Purchase" below. Such conditions shall be referred to as the "Tender Offer Conditions") are satisfied or waived). As of the date of this Press Release, although it is difficult to accurately predict the length of time required for the procedures to be completed with overseas antitrust authorities, it is expected to take one (1) to two (2) months from the date of this Press Release, and the Tender Offeror aims to commence the Tender Offer around mid-October to mid-November 2021. The specific timeline of the Tender Offer will be published as soon as it is determined (also as soon as there is any change in the abovementioned expected timing for the launch of Tender Offer).

### 1 Purpose of the Purchase

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

The Tender Offeror is a limited liability company (*godo kaisha*) established on August 6, 2021 for the purpose of acquiring and owning the Target Company Shares that are listed on the First Section of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") (the "First Section of the TSE") by way of the Tender Offer. GK Nogizaka Holdings ("Nogizaka Holdings") and Aether Holdings GK ("Aether Holdings" and together with Nogizaka Holdings, "GSSPC") (Note 1) each invests 50% in the Tender Offeror.

(Note 1) Nogizaka Holdings and Aether Holdings are limited liability companies (*godo kaisha*) established under the laws of Japan for investment purposes by Goldman Sachs (as defined below), and all of their shares are indirectly owned by The Goldman Sachs Group, Inc. (the group centered on this company is hereinafter referred to as "Goldman Sachs"). The Goldman Sachs Group, Inc. is a bank holding company globally engaged in leading investment banking services, securities services and investment management services. The Goldman Sachs Group, Inc. offers a wide range of services such as investment banking services, client services to institutional investors, investment and loan services and investment management services throughout the world based on its substantial and diversified customer base that includes corporations, financial institutions, governments and individuals. Established in 1869, The Goldman Sachs Group, Inc. is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

Pursuant to the Transaction Agreement (as defined below, the same applies hereinafter), the Tender Offeror, ENEOS Holdings, Inc. ("ENEOS") and GSSPC (collectively, "Related Parties of the Tender Offeror") will implement a series of transactions (the "Transaction"; for more details on each transaction comprising the Transaction, see "Outline and Scheme Chart of the Transaction" below) for the purpose of jointly privatizing the Target Company by way of acquiring all Target Company Shares (excluding treasury shares owned by the Target Company). The Tender Offeror will implement the Tender Offer as part of the Transaction subject to the satisfaction (or waiver by GSSPC and ENEOS; provided, however, that the Tender Offer Conditions (VIII) and (IX) cannot be waived by a party who breached the same) of the following Tender Offer Conditions set forth in the Transaction Agreement:

- (I) A special committee established within the Target Company has provided a report to express its support of the Target Company's approval of the Tender Offer, the recommendation to the Target Company's shareholders to tender their shares in the Tender Offer, and the implementation of the Transaction, and the relevant report has not been withdrawn;
- (II) The Target Company's board of directors has unanimously resolved (excluding any directors who have or may have special interests with ENEOS) to support the Tender Offer and to recommend the Target Company's shareholders to tender their shares in the Tender Offer, such resolution has been publicized, and no resolution to withdraw such opinion or otherwise inconsistent with such opinion has been made;
- (III) There is no material change regarding the businesses or properties of the Target Company or its subsidiaries as defined in the *proviso* clause of Article 27-11, Paragraph 1 of the Act, or any other event that may constitute a material obstacle to the fulfillment of the purpose of the Tender Offer;
- (IV) No petition, lawsuit or procedure to restrict or prohibit any part of the Transaction is pending against any legal or administrative authorities, no decisions have been made by legal or administrative authorities that restrict or prohibit any part of the Transaction, and there is no real threat thereof;

- (V) With regard to the Transaction, any and all permissions under antitrust laws ("Permits") have been obtained in the Areas Subject to Notification Under Antitrust Laws, and the waiting period has elapsed (if any) (including a receipt of notice that no Cease and Desist Order will be made). Moreover, the Japan Fair Trade Commission or any other legal or administrative authorities of the completion countries or regions are reasonably expected not to impose any measures or procedures that may prevent the conclusion of the Transaction;
  - (VI) With regard to the notification under Article 27, Paragraph 1 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended; "FEFTA"), the period set forth in Article 27, Paragraph 2 of FEFTA (or any shorter period if the period was shortened pursuant to the same Paragraph) has expired without any measures or procedures taken by administrative authorities that prevent the Tender Offer, or such period is reasonably expected to expire prior to the commencement date of the settlement for the Tender Offer;
  - (VII) The Shareholders Agreement (as defined below, the same applies hereinafter), the contribution agreement concerning the ENEOS Contribution (as defined below) entered into by and between ENEOS and the Tender Offeror, and the contribution agreement concerning the GSSPC Contribution entered into by and between GSSPC and the Tender Offeror have been validly executed and remain in full force and effect;
  - (VIII) GSSPC and ENEOS have performed or complied with in all material respects any and all obligations that must be performed or complied with under the Transaction Agreement prior to the commencement date of the Tender Offer (Note 2);
  - (IX) The representations and warranties of ENEOS, representations and warranties of Nogizaka Holdings, and representations and warranties of Aether Holdings under the Transaction Agreement are true and accurate in all material respects (Note 2); and
  - (X) The Target Company has confirmed that there are no material facts pertaining to the businesses (as defined in Article 166, Paragraph 2 of the Act) concerning the Target Company that are not publicized (as defined in Article 166, Paragraph 4 of the Act) by the Target Company.
- (Note 2) For more details on the obligations and agreement on representations and warranties under the Transaction Agreement, see "(4) Material Agreement Concerning the Tender Offer" below.

As of the date of this Press Release, the Tender Offeror and GSSPC do not own any Target Company Shares, but ENEOS owns 67,890,336 Target Company Shares (ownership ratio (Note 3): 57.01%), and the Target Company is its consolidated subsidiary. In addition, after the termination of the purchase period of the Tender Offer (the "Tender Offer Period") and before the commencement date of settlement of the Tender Offer, the Tender Offeror will accept contributions from GSSPC and ENEOS (the "Contribution"). After the Contribution, GSSPC and ENEOS will own all shares in the Tender Offeror. As a result of the subsequent Organizational Change (as defined below), ENEOS will acquire 50.10% of the voting rights in the Tender Offeror and GSSPC

will acquire 49.90% of the voting rights in the Tender Offeror.

(Note 3) The "ownership ratio" refers to the ratio of the number of shares (119,085,447 shares) obtained by subtracting the number of treasury shares owned by the Target Company as of June 30, 2021 (316,389 shares) as stated in the "Financial Summary for the First Quarter of the Fiscal Year Ending March 2022 [Japanese Standard] (Consolidated)" released on August 6, 2021 by the Target Company (the "Target Company's Quarterly Financial Summary") from the total number of issued shares as of June 30, 2021 (119,401,836 shares) as stated in the "Quarterly Report for the First Quarter of the Fiscal Year Ending March 2022" filed on August 6, 2021 by the Target Company (the "Target Company's Quarterly Report") (rounded to the nearest hundredth; this also applies with regard to subsequent descriptions of the ownership ratio).

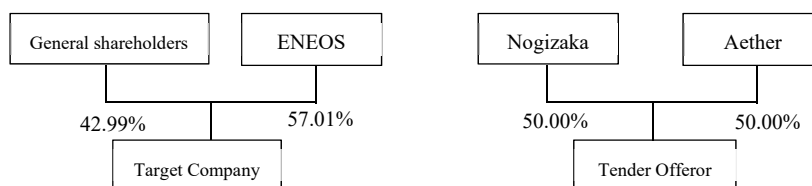
As of the date of this Press Release, the Related Parties of the Tender Offeror are not aware of any fact constituting a material obstacle to the satisfaction of the Tender Offer Conditions. In addition, based on legal advice provided from local law firms, the Related Parties of the Tender Offeror will perform procedures and measures required under the antitrust laws of the Areas Subject to Notification Under Antitrust Laws for the satisfaction of the abovementioned item (V) of the Tender Offer Conditions. The Related Parties of the Tender Offeror have already proceeded with the preliminary preparation required for the relevant procedures and measures, and are scheduled to discuss with legal and administrative authorities regarding antitrust laws after the date hereof in order to perform the relevant procedures and measures.

The Related Parties of the Tender Offeror plan to conduct each of the following transactions as the Transaction.

[Outline and Scheme Chart of the Transaction]

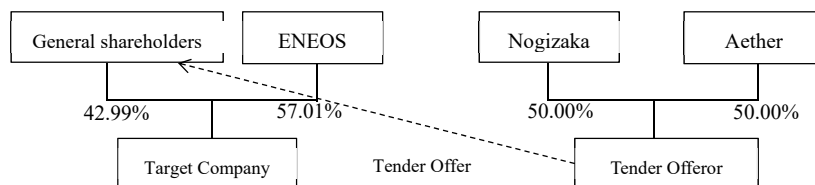
I. Pre-Tender Offer

As of September 7, 2021, ENEOS owns 67,890,336 Target Company Shares (ownership ratio: 57.01%).



II. Tender Offer (commencing in the middle of October to middle of November 2021 (scheduled))

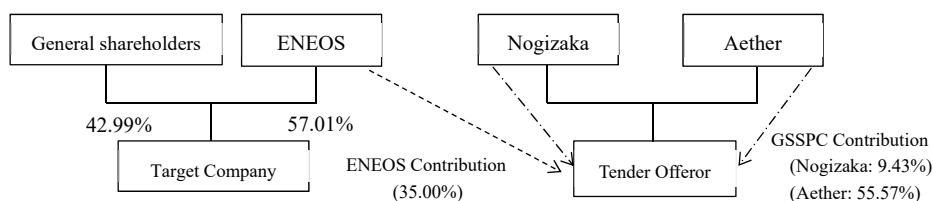
The Tender Offeror implements the Tender Offer with respect to all of the Target Company Shares (excluding, however, the treasury shares owned by the Target Company and the Target Company Shares owned by ENEOS). (The purchase price per Target Company Share (the "Tender Offer Price") is 4,000 yen.)



### III. Post-Tender Offer

#### (i) Contribution (December 2021 (scheduled))

Subject to the completion of the Tender Offer, between the end of the Tender Offer Period and the commencement of settlement for the Tender Offer, GSSPC and ENEOS will make the Contribution (contribution by GSSPC to the Tender Offeror shall be hereinafter referred to as the "GSSPC Contribution" and contribution by ENEOS to the Tender Offeror shall be hereinafter referred to as the "ENEOS Contribution"; the aggregate amount to be paid in shall be 59,999,000,000 yen (of which the aggregate amount of the GSSPC Contribution shall be 38,999,000,000 yen and the aggregate amount of the ENEOS Contribution shall be 21,000,000,000 yen), and the percentage of capital contribution after the Contribution, which is the sum of the Contribution and 1 million yen already invested in the Tender Offeror at the time of commencement of the Tender Offer, (rounded to two decimal places; the same applies in the calculation of the percentage in "Outline and Scheme Chart of the Transaction") of GSSPC is 65.00% (Nogizaka Holdings is 9.43% and Aether Holdings is 55.57%) and ENEOS is 35.00%.

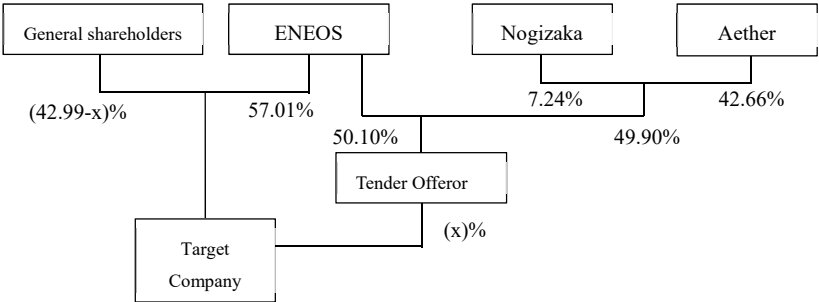


#### (ii) Organizational Change (December 2021 (scheduled))

Subject to the implementation of the Contribution, after the commencement date of the settlement of the Tender Offer, the Tender Offeror will effect the change of organization from a limited liability company (*godou kaisha*) to a stock company (*kabushiki kaisha*) (the "Organizational Change"). With respect to the Organizational Change, the Tender Offeror will issue Class A shares, which are non-voting shares, in the number equal to common shares, and GSSPC and ENEOS will acquire common shares (ownership ratio: GSSPC 49.90% (Nogizaka Holdings 7.24%, Aether Holdings 42.66%), ENEOS 50.10%) and Class A shares which are non-voting shares (ownership ratio: GSSPC 80.10% (Nogizaka Holdings 11.62%, Aether Holdings 68.48%), ENEOS 19.90%) of the Tender Offeror. As a result, ENEOS will own 50.10% of the voting rights of the Tender Offeror and GSSPC will own 49.90% (Nogizaka Holdings 7.24%, Aether Holdings 42.66%) of the voting rights of the Tender Offeror.

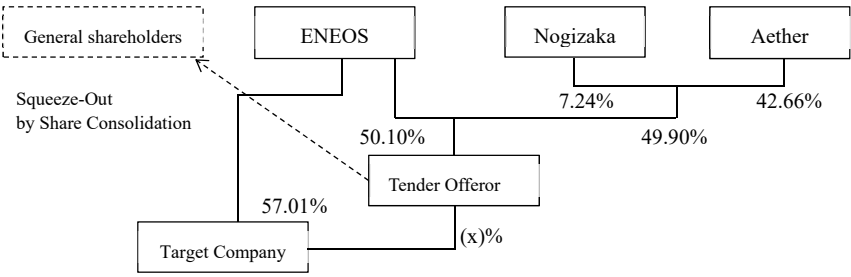
If the Tender Offeror or the Target Company decides to relist, GSSPC may request ENEOS to sell all or part of the Class A shares of the Tender Offeror owned by ENEOS (equivalent to a maximum of 9.95% of the total number of issued shares) (such Class A shares may be converted into common shares if (i) the Tender Offeror or

the Target Company decides to relist, (ii) ENEOS or GSSPC attempts to transfer the common shares of the Tender Offeror owned by them and receives a request from the other party (referring GSSPC for ENEOS and ENEOS for GSSPC; the same applies hereinafter) to sell such common shares, or (iii) ENEOS or GSSPC attempts to transfer the common shares of the Tender Offeror owned by them and concludes a transfer agreement with a proposed transferee. Therefore, if the Tender Offeror or the Target Company decides to relist, GSSPC may purchase Class A shares representing up to 9.95% of the total number of issued shares of the Tender Offeror from ENEOS and then convert such shares into common shares on a one-to-one basis.



(iii) Share Consolidation (February to March 2022 (scheduled))

Subject to the implementation of the Contribution and the completion of the Tender Offer and the settlement thereof, the share consolidation as stated in "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" (the "Share Consolidation") will occur to make the Tender Offeror and ENEOS the sole shareholders of the Target Company.



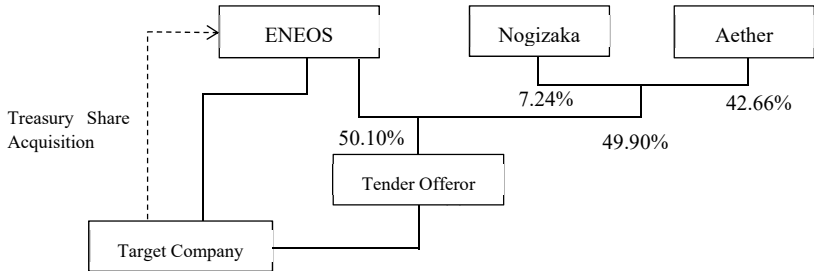
(iv) Treasury Share Acquisition (to be determined)

Upon completion of the Share Consolidation, the Target Company will promptly acquire all of its shares owned by ENEOS (the "Treasury Share Acquisition"). (As the Treasury Share Acquisition shall be conducted after the delisting of the Target Company Shares and the Target Company Shares at this point do not fall under the category of "Listed Share Certificates, etc." (Article 24-6, Paragraph 1 of the Act; Article 4-3 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965; as amended) subject to a tender offer of treasury shares (Article 27-22-2 of the Act), it will be conducted without employing the means of the Tender Offer.). The Tender Offeror will own all of the Target Company Shares to make the Target Company its wholly owned subsidiary through the Treasury Share Acquisition. The consideration for

acquiring treasury shares with respect to the Treasury Share Acquisition (the "Treasury Share Acquisition Price") shall be 2,859 yen per share before the Share Consolidation (the aggregate amount of the consideration for acquiring treasury shares with respect to the Treasury Share Acquisition shall be 194,098,470,624 yen). While the Tender Offer Price is 4,000 yen per share, on the grounds that the provisions regarding exclusion of deemed dividends from gross profits will apply to ENEOS, and in light of the results of consideration that both maximization of a tender offer price and fairness among shareholders can be achieved, the Treasury Share Acquisition Price was determined based on the amount at which the after-tax proceeds which ENEOS might obtain if it were to tender its shares in the Tender Offer at the Tender Offer Price which would be equivalent to the after-tax proceeds which ENEOS may obtain by accepting the Treasury Share Acquisition (Note 4).

(Note 4) These are estimates as of the date of this Press Release based on certain assumptions that refer to the financial figures of ENEOS and the Target Company for the fiscal year ended March 2021, and may differ from the after-tax proceeds ENEOS actually obtains. In addition, since such estimates may have errors due to rounding in the calculation process of the Treasury Share Acquisition Price, the after-tax proceeds which ENEOS might obtain if it were to tender its shares in the Tender Offer at the Tender Offer Price would not be completely consistent with the after-tax proceeds which ENEOS may obtain by accepting the Treasury Share Acquisition.

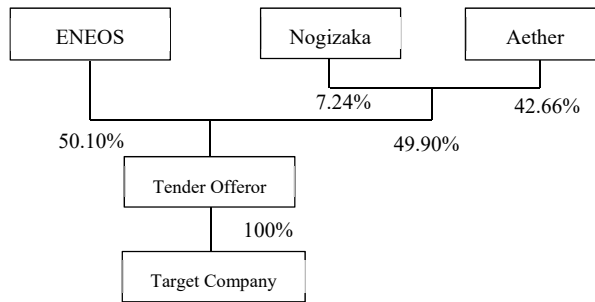
Although the Treasury Share Acquisition will be conducted within the distributable amount of the Target Company, the Tender Offeror plans to lend the funds necessary for the Treasury Share Acquisition to the Target Company after the completion of the Tender Offer in consideration of the amount of cash paid by the Target Company as consideration for the Treasury Share Acquisition and the level of cash and deposits held by the Target Company and required for business operations.



IV. Post-Transaction

As a result of each of the transactions described above, the Target Company will become a wholly owned subsidiary of the Tender Offeror.





As of the date of this Press Release, GSSPC and ENEOS have entered into a master agreement regarding the Transaction (the "Transaction Agreement"), and agreed that ENEOS will not tender all of the Target Company Shares owned by ENEOS (67,890,336 shares, ownership ratio: 57.01%; the "Non-tendered Shares") in the Tender Offer and that ENEOS will sell all of the Target Company Shares owned by ENEOS in response to the Treasury Share Acquisition to be implemented after the Share Consolidation takes effect. For more details on the Transaction Agreement, see "(4) Material Agreement Concerning the Tender Offer" below. Since it is expected that the provisions regarding exclusion of deemed dividends from gross profits set forth in the Corporation Tax Act (Act No. 34 of 1965, as amended) will apply to ENEOS in the Transaction, GSSPC and ENEOS agreed, in the Transaction Agreement, to sell the Non-tendered Shares through the Treasury Share Acquisition to be implemented by the Target Company in order to maximize the benefits of the Target Company's shareholders subject to the Share Consolidation coming into force.

With respect to the Tender Offer, the Tender Offeror has set a minimum planned purchase quantity of 11,500,000 shares (ownership ratio: (9.66%)), and if the total number of share certificates tendered in the Tender Offer (the "Tendered Share Certificates") is below this minimum planned purchase quantity, the Tender Offeror will not purchase the Tendered Share Certificates. On the other hand, the Tender Offeror aims to cause the Target Company Shares to go private and has not set a maximum planned purchase quantity, and if the total number of the Tendered Share Certificates is equal to or exceeds the minimum planned purchase quantity, the Tender Offeror will purchase all of the Tendered Share Certificates. The minimum planned purchase quantity was set as the number obtained by the following formula: (i) the number of treasury shares owned by the Target Company as of June 30, 2021 as stated in the Target Company's Quarterly Financial Summary (316,389 shares) is deducted from the total number of issued shares of the Target Company as of June 30, 2021 as stated in the Target Company's Quarterly Report (119,401,836 shares); this amounts to 119,085,447 shares, which corresponds to 1,190,854 voting rights; (ii) the number of voting rights relating to the Non-tendered Shares (67,890,336 shares) (678,903 voting rights) is deducted from the number of voting rights relating to two-thirds of the number of voting rights described in (i) (793,903 voting rights) (rounded up to the nearest whole number); this amounts to 115,000 voting rights; and (iii) such number of voting rights is multiplied by 100 shares, which is the share unit number of the Target Company (11,500,000 shares). Since the Tender Offeror aims to make the Target Company its wholly owned subsidiary in the Transaction, and the special resolution in the shareholders' meeting as provided for in Article 309, Paragraph 2 of the Companies Act is required upon carrying out the Share Consolidation, the minimum planned purchase quantity was set to enable the Tender

Offeror and ENEOS to fulfill such requirement.

If the Tender Offeror fails to acquire all of the Target Company Shares (excluding, however, the treasury shares owned by the Target Company and the Target Company Shares owned by ENEOS) through the Tender Offer, as stated in "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" below, the Tender Offeror intends to request the implementation of the Share Consolidation as part of the Transaction to the Target Company after the completion of the Tender Offer. If a shareholder appears who owns more Target Company Shares than those held by the Tender Offeror, the Tender Offeror intends to consult with ENEOS, etc., in order to realize the capital relationship after the Transaction described in "IV. Post-Transaction" above, and deal with the situation. For more details on the Share Consolidation, see "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" below.

The Tender Offeror intends to cover the funds required for the settlement of the Tender Offer by borrowing from Mizuho Bank, Ltd. ("Mizuho Bank"), Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (the "Tender Offer Settlement Funds Borrowing") and through the Contribution, and intends to accept the Tender Offer Settlement Funds Borrowing and the Contribution no later than the business day preceding the date of commencement of the settlement of the Tender Offer, subject to the completion of the Tender Offer.

As stated in "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" below, if the Tender Offeror, despite the completion of the Tender Offer, fails to acquire all of the Target Company Shares through the Tender Offer, the Tender Offeror intends to request the implementation of the Share Consolidation as part of the Transaction to the Target Company. However, with respect to the funds required for the acquisition of the Target Company Shares equivalent to the sum of the fractional shares resulting from the Share Consolidation, the Tender Offeror intends to cover the same by the Tender Offer Settlement Funds Borrowing and the Contribution.

According to the "Statement of Opinion on Planned Commencement of Tender Offer for Company's Shares by Roadmap Holdings GK" published by the Target Company as of the date of this Press Release (the "Target Company Press Release"), the Company hereby announces that it has resolved at the meeting of the Board of Directors of the Company held at the date of this Press Release to express an opinion in support of the Tender Offer for the Company Shares by the Tender Offeror as current opinion of the Company and to recommend the Company's shareholders to tender in the Tender Offer, if the Tender Offer has commenced. As described above, if the Tender Offer Conditions are satisfied (or waived by GSSPC and ENEOS; provided, however, that the breaching party may not waive the Tender Offer Conditions (VIII) and (IX)), the Tender Offeror plans to commence the Tender Offer promptly. However, as of the date of this Press Release, it is difficult to accurately predict the time required for procedures regarding overseas competition authorities, and therefore, the board of directors described above has resolved the following procedures regarding the statement of opinion by the Target Company. In other words, at the meeting of the board of directors held on the date of this Press Release, it is resolved that (i) upon commencement of the Tender

Offer, the board of directors shall request the Special Committee (as defined below; the same applies hereinafter) established by the Target Company to examine whether there is any change in the content of the report submitted to the board of directors by the Special Committee as of September 7, 2021, and if there is no change, to state to that effect, and if there is any change, to state the content of the report after such change, and (ii) the board of directors of the Target Company shall again express its opinion regarding the Tender Offer at the time of commencement of the Tender Offer based on the content of such report.

For more details on the decision-making process of the Target Company, see "(VI) Approval of all directors disinterested in the Target Company and opinion of no objection of auditors disinterested in the Target Company" under "(3) Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest" below.

(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy

The background, purpose and decision-making process leading to the decision to implement the Tender Offer, and post-Tender Offer management policy, are described as follows. The descriptions concerning the Target Company are based on the information released by the Target Company, the Target Company Press Release and explanations received from the Target Company.

(I) Business environment surrounding the Target Company

(i) History of the Target Company

The Target Company was incorporated as "Nippon Hodo Co., Ltd." with share capital of 1 million yen in February 1934, by amalgamating businesses of the road departments of Nippon Oil Co. (currently known as ENEOS Corporation) and Asano Bussan Co., and inheriting all the employees of the road department of Nippon Oil Co. as well as all the machinery and equipment of the road departments of both companies. The Target Company Shares were first listed on the Tokyo Stock Exchange in November 1949 and the Sapporo Securities Exchange in November 1968, respectively, and they are traded on both the First Section of the Tokyo Stock Exchange and the Sapporo Securities Exchange as of the date of this Press Release.

Since its incorporation, the Target Company has devoted itself to the establishment of its internal structure by rolling out branches and local offices one after another all over Japan while playing a role in the road construction projects as part of the post-war reconstruction of Japan. After participating in the First Five-Year Road Development Project in 1954, which was a milestone for the Target Company, the Target Company focused on the enhancement of our basic businesses, pavement and civil engineering, and product sales, by expansion of its branch network, enhancement of technologies and improvement of marketing abilities. From around 1985, the Target Company has expanded its lines of business, and we are currently actively promoting our wide range of businesses such as construction, real estate development, environment, and PFI businesses, and have bases overseas such as in China, India, Thailand, Myanmar, Vietnam, Indonesia and Tanzania.

In October 2003, the Target Company changed its corporate name to Kabushiki Kaisha Nippo Corporation (Nippo Corporation) and acquired the Construction and Engineering Division of Nippon Oil Engineering Co. Also, in July 2009, the Target Company changed its corporate name to Kabushiki Kaisha Nippo (Nippo Corporation). In April 2012, the Target Company's Plant Engineering Business was carved out and merged into JX Engineering Co. Ltd. (currently known as RAIZNEXT Corporation).

(ii) Current Status of the Target Company's Businesses

Our current corporate philosophy is, "We devote ourselves to the realization of a prosperous society through reliable craftsmanship". Under this philosophy, we are striving to enhance our relationship with the shareholders, investors and other stakeholders of the Target Company and contribute to the establishment of social and industrial infrastructures through our "reliable craftsmanship" while aiming to realize business development and stable management to operate our businesses in a way that meets the expectations from the public.

The Target Company has also been engaged in construction, manufacturing and sales of asphalt mixture, and development and other businesses as a corporate group consisting of 235 subsidiaries and 24 affiliates.

(Construction Business)

The Target Company is engaged in pavement and civil engineering works as well as construction works, and entrusted with certain construction works from ENEOS Corporation. Dai Nippon Construction (a consolidated subsidiary) is engaged in construction and general civil engineering works. Hasegawa Sports Facilities Co., Ltd. (a consolidated subsidiary) is mainly engaged in construction works of sports facilities, and Nippo Kensetsu Co., Ltd. (a consolidated subsidiary) is engaged in general civil engineering works. Our other 104 consolidated subsidiaries, 19 non-consolidated subsidiaries, 6 affiliated companies and one equity method affiliated Target Company are engaged in pavement and civil engineering works. Each of these companies is, under the leadership of the Target Company, operating its businesses based on its own marketing and construction policies.

(Manufacturing and Sales Business)

The Target Company is engaged in manufacturing and sales of asphalt mixture, asphalt emulsion and other paving materials all over Japan. Additionally, the Target Company purchases asphalt, the main material of asphalt mixture, from ENEOS Corporation. Our 85 subsidiaries including Fair Road Co., Ltd, 13 non-consolidated subsidiaries and 8 affiliated companies are engaged in manufacturing and sales of asphalt mixture as our business bases covering various regions all over Japan.

(Development Business)

The Target Company is engaged in real estate development business such as sale and lease of condominiums. Ashinoko Skyline Co., Ltd. (a consolidated subsidiary) is engaged in operation of automobile roads.

(Other Businesses)

The Target Company is engaged in lease of construction machinery, golf course and hotel businesses,

PFI business and other businesses. MECX Incorporated (a consolidated subsidiary) and 2 affiliated companies are engaged in lease, sales, manufacturing and maintenance of construction machinery and vehicles. One consolidated subsidiary is engaged in PFI business, and one non-consolidated subsidiary is engaged in the operation of a golf course and a hotel, one affiliated Target Company is engaged in soil investigation business and 5 non-consolidated subsidiaries and 6 affiliated companies are engaged in other businesses.

(iii) Business Environment and Major Initiatives of the Target Company

For the year ended March 2021, the Target Company Group delivered net sales of 445.7 billion yen (103.9% of the net sales in the previous year), ordinary profit of 46.8 billion yen (122.4% of the ordinary profit in the previous year), profit of 31.1 billion yen (131.7% of the profit in the previous year), achieving increases in sales and profit. More specifically, the results reflect various profit improvement factors, such as large-scale construction orders in the previous year, which resulted in an increase in sales. Meanwhile, we have seen impacts of economic recession in various areas due to the COVID-19 pandemic since last year, and the Target Company has also been affected by successive postponements of private construction orders in the construction industry. Additionally, our business environment has been difficult with higher raw material costs due to higher crude oil prices.

Under such current business environment, the Target Company Group established our "mid-to-long-term management vision" (for the FY 2018 to 2030) (Note) in May 2018, following which, we have continuously been engaged in initiatives to achieve "stable growth into the future". Under the "mid-to-long-term management vision," we focus on the following major issues:

(Note) For more details on "mid-to-long-term management vision" above, please see "'Mid-to-long-term Management Vision' Explanatory Meeting for the FY 2018 to 2030" that the Target Company released on May 21, 2018.

(a) Further enhancement of domestic revenue base of our core (pavement and civil engineering, and products) business

Despite the business environment in which a growth of domestic construction market is not expected, we are committed to enhancement of domestic earning capacity of our core (pavement and civil engineering, and products) business (the "Core Business"), the highest revenue earning division of the Target Company Group, by ensuring our business bases and group companies all over Japan to be fully functional.

(b) Expansion of the Core Business overseas (globally)

Under our "mid-to-long-term management vision", we are planning to increase net sales of our overseas businesses, which are currently 20 billion yen, to 80 billion yen. Among such endeavors, we are especially focused on the development of our "product business in the Southeast Asian region". More specifically, we are expecting a growth in pavement works in the Southeast Asian region, and we are committed to the expansion of our Core Business overseas by enhancing the alliances with local constructors, which are mainly operating pavement works in various regions in each country.

(II) Discussions between Tender Offerer and Target Company and ENEOS, Decision-making Process of Tender Offerer, etc.

Goldman Sachs is engaged in investment banking services as one its major services, and offers M&A, financing, risk management and other services to its wide-ranging clients in and outside Japan. Goldman Sachs exchanged various views with ENEOS on the state of the shares of the Target Company which is its listed subsidiary, in a situation where the fairness and transparency of the governance system of the listed subsidiaries is being called upon even more, as in the announcement of the “Practical Guidelines for the Group Governance System” by the Ministry of Economy, Trade and Industry on June 28, 2019. Views were exchanged on various topics including making the Target Company a wholly owned subsidiary of ENEOS. However, it did not go beyond the extent of exchange of views, and the discussions did not develop any further in light of the importance of ENEOS’ ownership of the Target Company's shares as described in detail below. Concurrently, Goldman Sachs also exchanged views with the Target Company in order to understand the Target Company's business, growth strategies, and intentions. Goldman Sachs exchanged views with ENEOS and the Target Company as part of the ordinary course of business of its investment banking division, and Goldman Sachs provided no advice to ENEOS or the Target Company.

Pursuant to its business strategy of delivering "One Goldman Sachs," Goldman Sachs is reinforcing collaboration among its divisions and developing a system intended to offer more comprehensive services satisfying its clients' needs as much as possible. Under such system, and in light of the business environment surrounding ENEOS and the Target Company as described above, Goldman Sachs believes that through a collaboration between its investment banking division and merchant banking division that offer investment services and asset management services, taking the Target Company private through Goldman Sachs' equity participation and making more flexible and prompt management decisions from a medium- to long-term perspective, including the expansion of its overseas business and real estate business by providing Goldman Sachs' global network and real estate development expertise, will contribute to the realization of the Target Company's vision and the enhancement of the Target Company's corporate value more effectively.

On the other hand, ENEOS periodically inspects on whether it is best from the viewpoint of enhancement of the corporate value of the whole Group and capital efficiency to maintain companies as its listed subsidiaries. Also with the capital relationship with the Target Company, in a form of parent-subsidiary listing, ENEOS also continued to consider the ideal continuous state in light of mid to long-term business portfolio strategies and reinforcement of the governance system.

Against this backdrop, in the beginning of February 2021, as one of the strategic options for the Target Company's capital relationship, Goldman Sachs proposed to ENEOS that the Target Company be made private while maintaining the parent-subsidiary relationship between ENEOS and the Target Company. Through various exchanges of views, Goldman Sachs came to acknowledge that in addition to decreasing the ownership ratio of ENEOS in the Target Company and increasing management resources allotted to the

expansion of growth strategies, having ENEOS as the parent company as long as the Target Company is a private company is beneficial for both ENEOS and the Target Company from the viewpoint of the public nature of the Target Company's business and the stability of management, including attention given to the employees of the Target Company. Having realized that a scheme based on these elements is crucial, Goldman Sachs proposed to privatize the Target Company jointly with ENEOS while maintaining the parent-subsiary relationship between ENEOS and the Target Company.

Based on the "2040 Group Long-Term Vision" published by ENEOS in May 2019, ENEOS has named petrochemicals, materials, environmentally-conscious business, community services and next-generation energy supply as five growth businesses to be expanded and promoted in mid to long-term span. Upon considering the proposal by Goldman Sachs, ENEOS believed that it is necessary to make a decision after discerning the possible synergies between these growth businesses and the Target Company's businesses as well as the possible enhancement of corporate value through an alliance with other companies. ENEOS has reviewed whether there are any businesses with further synergies and the progress of alliance with other companies mainly in the areas of environmentally-conscious business, community services and next-generation energy supply. As a result, ENEOS came to a decision that there are main subjects with a potentially large effect. Thus, ENEOS decided to specifically consider on cancellation of the parent-subsiary listing with the Target Company.

Before reaching this decision, ENEOS also considered an option of making the Target Company its wholly owned subsidiary as a means to cancel the parent-subsiary listing. However, ENEOS determined that it is difficult to achieve an enhancement of corporate value of the Target Company by ENEOS alone regarding the Target Company's major business, i.e., domestic public projects and infrastructure work business, through making the Target Company its wholly owned subsidiary because of limited overlapping businesses between ENEOS and the Target Company despite asphalt and other transactions existing between ENEOS and the Target Company. In this context, ENEOS has received unofficial proposals from several securities companies concerning the Target Company, but these proposals did not satisfy the interests of ENEOS and the value enhancement of the Target Company simultaneously. On the other hand, the proposal of Goldman Sachs assures the sustainable growth of both ENEOS and the Target Company while further allocating the management resources of ENEOS to the development of growing businesses, and contributes to the avoidance of potential conflicts of interest between the parent company and the minority shareholders in connection with the parent-subsiary listing, the formulation of growth strategies, and the enhancement of flexibility and speeding-up of decision making by management. ENEOS also believes that it will be possible to further enhance the corporate value of the Target Company through the utilization of Goldman Sachs' global network and knowledge of real estate development, and therefore continued the dialogue with Goldman Sachs.

Broad Street Investments Japan GK (Note 1) appointed Anderson Mori & Tomotsune Foreign Law Joint Enterprise ("Anderson Mori & Tomotsune") as a legal advisor independent from the Related Parties of the

Tender Offeror and the Target Company, KPMG FAS Co., Ltd., and KPMG Tax Corporation as accounting and tax advisors independent from the Related Parties of the Tender Offeror and the Target Company, and Goldman Sachs Japan Co., Ltd., as a financial advisor independent from ENEOS and the Target Company in late February 2021 to work on the details of the Transaction. Meanwhile, ENEOS, after receiving Goldman Sachs' proposal, appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., as a financial advisor independent from the Related Parties of the Tender Offeror and the Target Company in late April 2021, and Nishimura & Asahi as a legal advisor independent from the Related Parties of the Tender Offeror and the Target Company in late April 2021, respectively, to conduct an initial review of the Target Company's strategic options for its capital relations.

ENEOS and Goldman Sachs provided the Target Company with an initial explanation of the possibility of the Transaction on April 16, 2021, and after further consideration as described above, Goldman Sachs requested ENEOS to make an initial proposal to the Target Company on June 22, 2021 ("Request of Initial Proposal"). Goldman Sachs and ENEOS have come to the conclusion that in order to realize further growth and increase the corporate value of the Target Company in the future, it is necessary to jointly take the Target Company private and establish an environment in which management decisions can be made flexibly and promptly from a medium- to long-term perspective, including the enhancement of the profitability of existing businesses and business expansion accompanied by speed and scale, as well as the expansion of overseas businesses and real estate businesses, etc., and then to establish a system in which strategic measures can be steadily implemented utilizing management resources not only within the company but also outside the company. Accordingly, Goldman Sachs and ENEOS have agreed to move on to concrete discussions on the Transaction and submitted to the Target Company a joint initial proposal (the "Initial Proposal"; The details of the Initial Proposal are the same as the Request of Initial Proposal) on June 28, 2021. In the Initial Proposal, Goldman Sachs and ENEOS proposed a transaction method that assumes that the Target Company will remain an ENEOS consolidated subsidiary and go private through a cash tender offer by a special purpose company invested by GSSPC and ENEOS, a subsequent squeeze out, and the Target Company's acquisition of treasury shares held by ENEOS. Regarding such transaction method, the Treasury Share Acquisition Price was still under consideration at the time of submission of the Initial Proposal. Nevertheless, since the provisions on exclusion of deemed dividends from gross profits were expected to apply to ENEOS, the Tender Offer Price was set as a high price so that it can also contribute to increasing the interests of minority shareholders of the Target Company by adopting the above scheme that utilizes the acquisition of treasury shares. As the share buyback scheme has already been used many times in similar cases, Goldman Sachs presented to ENEOS the idea of the share buyback scheme as an option prior to giving the Target Company an initial explanation of the possibility of the Transaction on April 16, 2021. Subsequently, ENEOS continued discussions, and this scheme was also indicated in the Initial Proposal. As a result of further discussions, ENEOS decided to adopt a scheme to utilize share buybacks in the proposal made to the Target Company on July 26, 2021.



(Note 1) Broad Street Investments Japan GK is a limited liability company formed under Japanese law for the purpose of investment by Goldman Sachs and is wholly owned indirectly by The Goldman Sachs Group, Inc.

After the submission of the Initial Proposal, Goldman Sachs and ENEOS initiated specific discussions for the Transaction. As part of these efforts, Goldman Sachs and ENEOS conducted due diligence from June 30, 2021 to August 6, 2021 to closely examine the feasibility of the Transaction. At the same time, they held discussions and deliberations with the Target Company on the management structure and business policies after the Transaction and other conditions for the Transaction. The details of the Contribution and Organizational Change were also included in the discussions and deliberations. Specifically, with respect to the Contribution, Goldman Sachs and ENEOS discussed the total amount of the Contribution, taking into account the borrowing ratio, the proportion of voting rights of GSSPC and ENEOS, taking into account the parent-subsidary relationship between the Target Company and ENEOS and the management of ordinary course of business by the Target Company, and the timing of the investment of ENEOS and GSSPC, from the perspective of the management of the Target Company and enhancing its corporate value after its going private. In addition, in order to ensure the possibility of a merger between the Target Company, which is a stock corporation, and the Tender Offeror in the future, the necessity of the Organizational Change to change the Tender Offeror from a limited liability company to a stock corporation was confirmed.

As a result, the Tender Offeror came to the conclusion that taking the Target Company private contributes to avoiding the possibility of a conflict of interest between the parent company and minority shareholders as a result of the parent-subsidary listing, formulating growth strategies, and making the Target Company's management more flexible and expeditious in making decisions, and it is the best way to adapt to the changing business environment surrounding the Target Company and increase the corporate value of the Target Company. Specifically, Goldman Sachs and ENEOS intend to further accelerate the growth strategy by providing various support mainly in the following two areas toward the establishment of businesses leading growth, which the Target Company recognizes as a major business strategic issue.

1) Overseas business

A key business strategy for the Target Company, which has a high level of technical expertise in asphalt composites, is to enter and expand the asphalt composite market, particularly in Southeast Asia, by which the Target Company will expand its business into a new growing market while the domestic asphalt market is contracting. On the other hand, in order to expand the business base mainly in Japan to overseas markets, the Target Company needs to understand the industry structure and business practices in each overseas market, and the Target Company needs to consider a variety of issues, such as how to integrate with local business partners and various M&A strategies. Goldman Sachs and ENEOS will leverage their global network and expertise as financial, investment and operating companies to support the Target Company's growth strategy to the extent possible. In particular, Goldman Sachs has investment experience in global road

paving and asphalt businesses and the world's top M&A track record, and will strongly support the Target Company's vision of overseas business expansion.

2) Real estate development business

The Target Company's real estate development business is performing well as seen in its consistent contribution to the profits over the past five years with operating margins above the average of the Target Company as a whole, but there is room for further expansion and improvement such as diversification and expansion of the asset classes, and optimization of financing methods. Goldman Sachs has a cumulative investment track record of more than USD 50 billion in the real estate development business around the world for more than thirty years, and plans to share its expertise and know-how as a business partner with the aim of expanding the Target Company's business. The Target Company and Goldman Sachs have a complementary relationship because there is no significant overlap in the targeted asset classes. The two companies are expected to work together to strengthen the business foundation of the Target Company through joint investment and business expansion through information exchange.

In addition, Related Parties of the Tender Offeror have held multiple consultations and negotiations with the Target Company regarding the Tender Offer Price since late July 2021. Specifically, based on the disclosed materials such as financial information of the Target Company and the results of due diligence conducted on the Target Company, as well as the analysis using the share value valuation method commonly used in transactions similar to the Transaction, such as analysis of the market price trend of the Target Company and comparative analysis with similar listed companies by the Tender Offeror, Related Parties of the Tender Offeror proposed to the Target Company on July 26, 2021 that the Tender Offer Price be 3,600 yen per share and that the date of the announcement of the Transaction be August 24, 2021. As of July 26, 2021, the Tender Offeror had not made any specific proposal regarding the Treasury Share Acquisition Price since it was under consideration among the Related Party of the Tender Offeror. Subsequently, the Special Committee requested the Tender Offeror to reconsider the Tender Offer Price and the schedule of the Transaction in order to have time for sufficient consultation and discussion claiming that the Tender Offer Price was not found to have reflected the corporate value of the Target Company sufficiently and was not found to have met the sufficient level for minority shareholders given the level of premiums in other previous tender offers in which controlling shareholders intended the privatization of a company they controlled made on and after June 28, 2019, when the "Fair M&A Guidelines" were released. Based on the request, Related Parties of the Tender Offeror repropose to set the Tender Offer Price at 3,800 yen per share on August 5, 2021, and to set the date of the announcement of the Transaction to September 7, 2021. In response, on August 6, 2021, the Special Committee again requested the Tender Offeror to reconsider the Tender Offer Price because the Special Committee could not determine that the Tender Offer Price was at the sufficient level considering the corporate value of the Target Company and interests of minority

shareholders, and on August 12, 2021, the Tender Offeror repropoed that the Tender Offer Price be 3,850 yen per share and, in consideration of the exclusion of deemed dividends from gross profits, that the Treasury Share Acquisition Price be based on the amount equivalent to the after-tax net proceeds if ENEOS tenders for the Tender Offer at the Tender Offer Price and the after-tax net proceeds if ENEOS accepts the repurchase of treasury shares (see (Note 4) of "(1) Overview of the Tender Offer" above for detail). After that, based on a request on August 18, 2021 from the Special Committee to reconsider the proposal including the Tender Offer Price, the Tender Offeror proposed to set the Tender Offer Price at 3,900 yen per share on August 23, 2021, and with respect to the Treasury Share Acquisition Price, in accordance with the same calculation criteria as proposed on August 12, 2021, the Tender Offeror proposed to set the price at 2,790 yen per share. In response, the Special Committee requested on August 26, 2021 to consider setting the Tender Offer Price at 4,000 yen, and based on the request, the Tender Offeror made a final proposal to set the Tender Offer Price at 4,000 yen per share on August 30, 2021, and to set the Treasury Share Acquisition Price at 2,859 yen per share in accordance with the same calculation criteria as proposed on August 12, 2021. The Tender Offer Price (4,000 yen per share) is the price obtained by adding respective percentage of premiums to each of the corresponding prices below: 32.9% to 3,010 yen which is the price of the Target Company Shares on June 10, 2021 (the business day immediately preceding June 11, 2021, when the speculative reports were released regarding ENEOS's consideration concerning several options related to its listed subsidiary; 36.9% to 2,921 yen, which is the simple average of the closing prices over the past one month until June 10, 2021 (May 11, 2021 to June 10, 2021); 34.1% to 2,984 yen, which is the simple average of the closing prices over the past three months (March 11, 2021 to June 10, 2021); 38.7% to 2,885 yen, which is the simple average of the closing prices over the past six months (December 11, 2020 to June 10, 2021). The Tender Offeror made the final proposal taking these premium levels into consideration.

As a result of these discussions and negotiations, Related Parties of the Tender Offeror and the Target Company agreed on September 7, 2021, on the Tender Offer Price of 4,000 yen per share and the Treasury Share Acquisition Price of 2,859 yen per share. In consideration of the application of the provisions regarding the exclusion of deemed dividends from gross profits, and based on the results of the consideration that both maximization of the tender offer price and fairness among shareholders can be achieved, the Treasury Share Acquisition Price was based on an amount equivalent to the amount of after-tax proceeds if ENEOS tenders for the Tender Offer at the Tender Offer Price and the amount of after-tax proceeds if ENEOS accepts the repurchase of treasury shares (see (Note 4) of "(1) Overview of the Tender Offer" above for detail). Accordingly, GSSPC and ENEOS entered into the Transaction Agreement and this Shareholders Agreement as of September 7, 2021, and, provided that the Tender Offer Conditions have been satisfied (or have been waived by GSSPC and ENEOS), as part of the Transaction, it was decided that the Tender Offer will be conducted by the Tender Offeror for all the Target Company Shares (excluding treasury shares owned by the Target Company and the Target Company Shares owned by ENEOS).

### (III) Decision-making Process and Reasons Leading to Target Company Supporting Tender Offer

#### (i) Background of Establishment of System for Consideration

The Target Company received the initial explanation on the possibility of the Transaction from ENEOS and Goldman Sachs on April 16, 2021, and subsequently received the Initial Proposal from ENEOS and Goldman Sachs Japan Co., Ltd. on June 28, 2021. In response thereto, after considering the expertise, past results, etc. of several candidates for financial advisor and legal advisor, the Target Company started considering appointing Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor in late May 2021, and Mori Hamada & Matsumoto as its legal advisor in early June 2021, respectively, and resolved to appoint those advisors subject to the approval of the Special Committee and other conditions at the meeting of the Board of Directors of the Target Company held on July 5, 2021. After that, in light of the facts that the Target Company is a consolidated subsidiary of ENEOS and the Transaction to be implemented in accordance with the Transaction Agreement, including the Target Company's announcement of the opinion regarding the Tender Offer, might constitute a material transaction, etc. with a controlling shareholder, and that the Transaction may typically have structural conflict of interest issues and information asymmetry issues, the Target Company immediately commenced to establish the system for considering and determining the benefits and disadvantages of the Transaction, the appropriateness of the terms and conditions of the Transaction and the fairness of the procedures of the Transaction from the perspective of enhancing the Target Company's corporate value and securing the interests of the Target Company's minority shareholders independently from the Related Parties of the Tender Offeror and the Target Company, by taking into account the advice of Mori Hamada & Matsumoto, in order to ensure the fairness of the Transaction.

In particular, as described in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the Target Company proceeded with the preparation for the establishment of the Special Committee comprised of its Independent Outside Directors since late June 2021. After that, by a resolution of the meeting of the Board of Directors of the Target Company held on July 5, 2021 promptly after receiving the Initial Proposal from ENEOS and Goldman Sachs on June 28, 2021, the Target Company established the special committee (the "Special Committee"; for the background of establishment, process of considerations, content of decision, etc. of such Special Committee, please see "(I) Establishment of an Independent Special Committee by the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below) comprised of three members, being Mr. Tsutomu Kimura (Independent Outside Director of the Target Company; Advisor of National Institution for Academic Degrees and Quality Enhancement of Higher Education), Mr. Muneaki Ueda (Independent Outside Director of the Target Company; Chairman and Representative Director of Professional Bank Inc.; etc.) and Mr. Takashi

Kashihara (Independent Outside Director of the Target Company; Special Advisor of UCHIDA YOKO CO., LTD.). The Target Company consulted with the Special Committee and requested to submit its opinion to the Board of Directors on (i) whether the purpose of the Transaction is reasonable from the perspective of whether or not it will contribute to the enhancement of the Target Company's corporate value, (ii) whether (a) the appropriateness of the terms and conditions of the Transaction and (b) the fairness of the procedures of the Transaction are ensured from the perspective of securing the interests of the Target Company's minority shareholders, (iii) whether or not to recommend the Board of Directors to decide to implement the Transaction, by taking into account the considerations and judgments in (i) and (ii) above, and (iv) whether or not the Target Company's minority shareholders will suffer disadvantages if the Target Company (including the Board of Directors) decides to implement the Transaction, by taking into account the considerations and judgments in (i) and (ii) above (collectively, the "Consulted Matters"). In that resolution, the decision on the implementation of the Transaction included (i) the decision to express an opinion in support of the Tender Offer and recommend the Target Company's shareholders to tender their shares in the Tender Offer and (ii) the decision on the procedures for the privatization of the Target Company that will be conducted after the Tender Offer as part of the Transaction.

Furthermore, the Board of Directors resolved to make decisions on the Transaction with the utmost respect to the judgments of the Special Committee, and not to decide to implement the Transaction if the Special Committee determines that the purpose, terms and conditions or procedures of the Transaction, including the Tender Offer, are inappropriate. The Board of Directors also resolved to authorize the Special Committee to (i) substantially participate in the process of the negotiation with the Tender Offeror (including receiving the status report on such negotiation, and if necessary, giving instructions or requests regarding the negotiation policy with the Tender Offeror, and negotiating with the Tender Offeror on its own); (ii) in considering the Consulted Matters, designate or approve (including subsequent approval) the Target Company's financial, legal or other advisors, and if necessary, appoint the financial, legal or other advisors of the Special Committee itself (the Target Company will bear the expenses in this case); (iii) receive information from directors and employees of the Target Company that is required for them to consider and make decisions regarding the Transaction; and (iv) ask any person deemed necessary by the Special Committee to attend a meeting of the Special Committee and ask for explanations on the necessary information (for the method of adopting the resolutions at such Board of Directors meeting, please see "(I) Establishment of an Independent Special Committee by the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below).

As described in "(I) Establishment of an Independent Special Committee by the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, based on the above-mentioned authority, the Special Committee approved the appointments of Mizuho Securities as the Target Company's

financial advisor and third-party valuation organization, and Mori Hamada & Matsumoto as the Target Company's legal advisor, after confirming that there were no concerns with their independence and expertise. In addition, as described in "(I) Establishment of an Independent Special Committee by the Target Company" under "(6) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, on July 20, 2021, based on the above-mentioned authority, the Special Committee decided to appoint YAMADA Consulting Group Co., Ltd. ("Yamada Consulting") as its own financial advisor and third-party valuation organization, after confirming its independence and expertise.

The Target Company established the internal system for considering, negotiating and making decisions on the Transaction independently from the Related Parties of the Tender Offeror (including the scope of the Target Company's directors and employees participating in the consideration, negotiation and decision-making on the Transaction and their duties), and obtained the approval of the Special Committee as there were no concerns with such system for consideration in terms of independence, as described in "(V) Establishment of an Independent Review System at the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

(ii) Background of Consideration and Negotiation

After the establishment of the system for consideration described in (i) above, the Target Company received the report on the results of the valuation of the Target Company Shares, the advice on the negotiation policy with the Related Parties of the Tender Offeror and other advice from a financial perspective from Mizuho Securities, and also the guidance and other legal advice on the measures to be taken in order to ensure the fairness of the procedures of the Transaction from Mori Hamada & Matsumoto. Based on the foregoing, the Target Company carefully considered the benefits and disadvantages of the Transaction and the appropriateness of the terms and conditions of the Transaction.

As described in "(ii) Background to Considerations" under "(I) Establishment of an Independent Special Committee by the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, since the Special Committee received the first proposal from Goldman Sachs and ENEOS on July 26, 2021 that the Tender Offer Price be set at 3,600 yen per share, the Special Committee has continuously discussed and negotiated with the Related Parties of the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price. Specifically, in response to the proposal made on July 26, 2021, the Special Committee, on August 3, 2021, requested that the Tender Offer Price be raised and that the schedule for the Transaction be reconsidered in order to ensure a sufficient period of time for consideration in terms of enhancing the corporate value of the Target Company and protecting the interests of the minority shareholders. In response to this, on August 5, 2021, the Related Parties to the

Tender Offeror re-proposed that the Tender Offer Price be set at 3,800 yen per share and that the date of public announcement of the Transaction be September 7, 2021. In response, on August 6, 2021, the Special Committee again requested a review of the Tender Offer Price, and on August 12, 2021, the Related Parties of the Tender Offeror re-proposed the Tender Offer Price to be 3,850 yen per share. In addition, on August 18, 2021, the Special Committee, while confirming the relationship with the acquisition price of the Treasury Share Acquisition and whether or not the Tender Offeror intends to set the Majority of Minority conditions, again requested a review of the tender offer price. Accordingly, on August 23, 2021, the Related Parties of the Tender Offeror proposed that the Tender Offer Price be 3,900 yen per share, and that, in consideration that the provisions for exclusion of deemed dividends from gross profits would apply to the Treasury Share Acquisition Price, the Treasury Share Acquisition Price be set at 2,790 yen per share based on an amount equivalent to the after-tax proceeds if ENEOS accepted the tender offer and the after-tax proceeds if ENEOS accepted the share repurchase. Even after receiving such proposal, the Special Committee judged that further negotiations should be conducted from the viewpoint of the interests of the minority shareholders, and on August 26, 2021, the Special Committee requested the Related Parties of the Tender Offeror to repropose the Tender Offer Price as 4,000 yen per share based on the market price and other market conditions as of that date. As a result, on August 30, 2021, the Special Committee received a proposal from the Related Parties of the Tender Offeror to set the Tender Offer Price at 4,000 yen per share and the Treasury Share Acquisition Price at 2,859 yen per share, and determined that, in principle, the price was reasonable from the viewpoint of the interests of the minority shareholders.

In the course of such negotiations, the Special Committee deliberated carefully from the perspective of the interests of the minority shareholders based on various advice received from Yamada Consulting, Mizuho Securities, and Mori Hamada & Matsumoto and decided its own negotiation policy.

Further, on September 7, 2021, the Target Company received from the Special Committee a findings report (the "Findings Report") stating that (1) it believes the purpose of the Transaction is reasonable from the perspective of whether that will contribute to enhancing the corporate value of the Target Company, (2) it believes that (a) the appropriateness of the terms and conditions of the Transaction and (b) the fairness of the procedures of the Transaction are ensured from the perspective of securing the interests of the Target Company's minority shareholders, (3) it believes if the Tender Offer commences, the Board of Directors of the Target Company should make (i) a decision to express an opinion in support of the Tender Offer and recommend the Target Company's shareholders to tender their shares in the Tender Offer and (ii) a decision on the procedures for the privatization of the Target Company that will be conducted after the Tender Offer as part of the Transaction, and (4) it believes the minority shareholders of the Target Company will not be disadvantaged by the Target Company (including the Board of Directors of the Target Company) making a decision to execute the Transaction (for an outline of the Findings Report, please see "(I) Establishment of an Independent Special Committee by the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to

Avoid Conflicts of Interest" below). In addition to the Findings Report, the Target Company also received from the Special Committee the share valuation report regarding the results of the valuation of the Shares (the "Share Valuation Report (Yamada Consulting)") and the fairness opinion stating that the Tender Offer Price of 4,000 yen per share is a fair price for the shareholders of the Shares (excluding the Tender Offeror and ENEOS) from a financial perspective (the "Fairness Opinion (Yamada Consulting)") submitted by Yamada Consulting to the Special Committee on September 6, 2021 (for the outline of the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting), please see "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" below).

(iii) Content of Decision

Under the circumstances described above, at the Board of Directors meeting held on September 7, 2021, the Target Company carefully discussed and deliberated whether or not the Transaction, including the Tender Offer, will contribute to the enhancement of its corporate value, and whether or not the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate, by taking into account the legal advice received from Mori Hamada & Matsumoto, the advice from a financial perspective and the share valuation report regarding the results of the valuation of the Shares submitted on September 6, 2021 (the "Share Valuation Report (Mizuho Securities)") from Mizuho Securities, as well as the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting) submitted through the Special Committee, and paying utmost respect to the judgments of the Special Committee presented in the Findings Report.

As a result, as described below, the Target Company has concluded for its part that becoming a wholly-owned subsidiary of the Tender Offeror and having the capital structure that ENEOS holds 50.10% of its voting rights and Goldman Sachs holds 49.90% of its voting rights, due to the Transaction, will enable the Target Company to expect the expansion of overseas business, the growth of the real estate development business and other matters while stably maintaining and expanding the Target Company's Core Business and will contribute to the enhancement of the Target Company's corporate value.

Out of the corporate value enhancement effects that are expected to occur due to the Transaction, first of all, in terms of the expansion of overseas business, although the Target Company's advanced technology relating to asphalt mixture is also highly competitive in overseas markets, it will be necessary to expand sales channels and take other actions through cooperation with local partners in order to expand the business foundation overseas. In this regard, the Target Company has determined that since Goldman Sachs has a global high-quality network as a financial/investment Target Company with an internationally established reputation, the Target Company can expect to build cooperative relationships with the most appropriate



local partners and expand business development in overseas markets by utilizing such network.

Secondly, as for the growth of the real estate development business, the Target Company has had a certain level of business foundation for some time and has achieved solid results, but on the other hand, although the most important factor for the growth of such business is numerous and quick access to new project information, the Target Company alone does not have sufficient access to such information in terms of both quality and quantity, and therefore there are constraints on the expansion of business. In this regard, since Goldman Sachs has an extensive investment performance in the real estate business amounting globally to USD 50 billion in total for more than 30 years and a strong presence in the real estate market for a long period of time, it is believed Goldman Sachs will be able to gather a great deal of new project information. The Target Company believes that it can expect the promotion of the growth of its real estate development business by being provided with information on the projects that Goldman Sachs will not undertake out of the project information gathered by Goldman Sachs.

Furthermore, in the Transaction, it is intended that the Target Company will become private with the capital participation of Goldman Sachs and that ENEOS will hold 50.10% and Goldman Sachs will hold 49.90% of the Target Company's voting rights directly or indirectly. After the completion of the privatization (termination of parent-child listing) under such capital structure, the Target Company believes that it will be able to (i) continue to stably maintain and expand the Target Company's Core Business under the umbrella of ENEOS that has been supporting the Target Company's management as the parent Target Company for many years and has a deep understanding of the Target Company's management, and at the same time, (ii) make flexible, prompt and decisive strategic decisions as a private Target Company for the expansion of overseas business, the growth of the real estate development business and other matters while being supported by Goldman Sachs and ENEOS (especially Goldman Sachs).

Also, as the Target Company was offered a method for the Transaction including the Treasury Share Acquisition, the Target Company considered this method as well. The Treasury Share Acquisition Price will be 2,859 yen per share before the Share Consolidation. While the Tender Offer Price has been determined to be 4,000 yen to maximize the economic profits of minority shareholders other than ENEOS, the Treasury Share Acquisition Price has been set in such manner that, even after fully considering the tax benefits that ENEOS may theoretically enjoy by applying the provisions for exclusion of deemed dividends from gross profits under the Corporation Tax Act if ENEOS were to tender its shares in the Treasury Share Acquisition, an amount that is set based on an amount that would make the proceeds after tax if ENEOS were to tender its shares in the Tender Offer equivalent to the proceeds after tax if ENEOS were to tender its shares in the Treasury Share Acquisition (for details, see (Note) in "I) Overview of the Tender Offer" above). The Target Company, in consideration of advice from its external tax advisors, has assessed the reasonableness of ENEOS' explanation and determined that, even after considering the tax benefits that ENEOS may theoretically enjoy under the current tax system, the economic profits that ENEOS will obtain as the consideration for the Shares as a result of the Treasury Share Acquisition will

not exceed the economic profits that the minority shareholders of the Target Company will obtain as the consideration for the Shares as a result of the Tender Offer. Based on the above, by adopting a scheme incorporating the Treasury Share Acquisition, a higher tender offer price can be offered to minority shareholders who tender in the Tender Offer compared to the case where ENEOS tenders the Shares in the Tender Offer. Therefore, we believe that the method for the Transaction incorporating the Treasury Share Acquisition will contribute to maximizing the profits for minority shareholders other than ENEOS.

The Target Company also determined from the following points, etc. that the Tender Offer Price of 4,000 yen per share is an appropriate price that ensures the benefit that should be received by the Target Company's minority shareholders, and that the Tender Offer will provide the Target Company's minority shareholders with a reasonable opportunity to sell the Target Company Shares at a price with an appropriate premium.

- (i) The price has been fully negotiated and agreed upon with the Related Parties of the Tender Offeror after fully taking measures to ensure the fairness of the conditions for the Transaction including the Tender Offer Price as stated in "(6) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, and with substantial involvement of the Special Committee.
- (ii) The price exceeds the range of the per-share values of the Shares computed based on the market stock price method and the comparable Target Company analysis method and is also within the range of the per-share values of the Shares computed based on the DCF method in the light of the per-share values of the Shares provided by Mizuho Securities in the Share Valuation Report (Mizuho) as stated in "(II) Share Valuation Report Obtained by the Target Company from Independent Third-Party Valuation Organization" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" below.
- (iii) The price exceeds the range of the per-share values of the Shares computed based on the market stock price method and the comparable Target Company analysis method and is also within the range of the per-share values of the Shares computed based on the DCF method in the light of the per-share values of the Shares provided by Yamada Consulting in the Share Valuation Report (Yamada Consulting) as stated in "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" below. As stated in "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" below, Yamada Consulting has issued the Fairness Opinion (Yamada Consulting) stating that the Tender Offer Price of 4,000 yen per share is fair to the shareholders of the Target Company from a financial point of view.

- (iv) The price has a premium of 13.80% (rounded to two decimal places; hereinafter the same in calculating the premium rate) over the closing price of the Target Company Shares of 3,515 yen on the First Section of the TSE as of September 6, 2021, the business day immediately preceding the date of announcement of the Tender Offer, a premium of 27.88% over the simple average closing price of 3,128 yen (rounded to the nearest yen; hereinafter the same in calculating the simple average closing price) for the one month prior to September 6, 2021, a premium of 28.12% over the simple average closing price of 3,122 yen for the three months prior to the same date, and a premium of 30.93% over the simple average closing price of 3,055 yen for the six months prior to the same date, and excluding the impact on the stock price after the date of speculative reports that ENEOS is considering to delist its listed subsidiaries including the Target Company by some news media (on June 11, 2021), the price has a premium of 32.89% over the closing price of the Shares of 3,010 yen on the First Section of the TSE as of June 10, 2021, the business day immediately preceding the date of the speculative report, a premium of 36.94% over the simple average closing price of 2,921 yen for the one month prior to June 10, 2021, a premium of 34.05% over the simple average closing price of 2,984 yen for the three months prior to the same date, and a premium of 38.65% over the simple average closing price of 2,885 yen for the six months prior to the same date. The level of the premium with a record date of September 6, 2021, the business day immediately preceding the date of announcement of the Tender Offer, is not necessarily sufficient compared to the level of premiums in similar cases in the past (tender offers by controlling shareholders for the purpose of taking listed subsidiaries private), but the market price of the Target Company Shares increased significantly from August 30, 2021 to September 6, 2021, and that increase diverged from both the overall stock market and the stock price averages of other companies in the same industry during that period (in addition, the Target Company did not disclose any material information immediately before or during that period). Further, the market price of the Target Company Shares appears to have been on an upward trend compared to the overall trend of the stock market and the trends of stock price averages of other companies in the same industry even after the speculative report on June 11, 2021. In light of the above, when comparing the levels of premiums in similar past cases, it is believed that the level of the premium where the record date is the trading day immediately preceding the date of the above speculative report should be especially taken into consideration, and the Tender Offer Price is considered to be comparable and appropriate in light of the level of premiums in those past cases.
- (v) As stated in "(I) Establishment of an Independent Special Committee by the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, the price is also deemed to be reasonable in the Findings Report obtained from the Special Committee.
- (vi) As stated in "(1) Overview of the Tender Offer" above, the Tender Offeror intends to cause the Target Company to conduct the Treasury Share Acquisition and, as stated above, the Treasury Share

Acquisition Price has been set in such manner that, even after fully considering the tax benefits that ENEOS may theoretically enjoy by applying the provisions for exclusion of deemed dividends from gross profits under the Corporation Tax Act if ENEOS were to tender its shares in the Treasury Share Acquisition, an amount that is set based on an amount that would make the proceeds after tax if ENEOS were to tender its shares in the Tender Offer equivalent to the proceeds after tax if ENEOS were to tender its shares in the Treasury Share Acquisition.

Based on the foregoing, at the meeting of the Board of Directors of the Target Company held on September 7, 2021, the Target Company resolved, as its view at that point of time, to express the opinion in support of the Tender Offer and recommend its shareholders to tender their shares in the Tender Offer, in case where the Tender Offer is conducted.

Furthermore, as described above, the Tender Offer is scheduled to commence promptly after the Tender Offer Conditions are satisfied (or waived by GSSPC and ENEOS; provided, however, that the Tender Offer Conditions (VIII) and (IX) cannot be waived by a party who breached the same). As of the date of this Press Release, while it seems to be difficult to accurately predict the period of time required for the procedures, etc. in foreign competition authorities, the Tender Offeror expects such procedures to take one or two months from the date of this Press Release and intends to commence the Tender Offer in around mid-October or mid-November of 2021. The Target Company therefore also resolved at the above-mentioned Board of Directors meeting, that (i) when the Tender Offer commences, the Target Company will ask the Special Committee established by the Target Company to consider whether there are any changes to the findings reported to the Board of Directors of the Target Company by the Special Committee on September 7, 2021, and to inform the Board of Directors of the Target Company to that effect if there are no changes or to report the revised findings if there are any changes, and that (ii) at the time the Tender Offer commences, the Board of Directors will express the opinion on the Tender Offer again by taking into account such findings.

For more details on the resolutions adopted by the Board of Directors, please see "(VI) Approval of All Directors Disinterested in the Target Company and Opinion of No Objection of Auditors Disinterested in the Target Company" under "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

#### (IV) Post-Tender Offer Management Policy

The Target Company has long held the top share in the industry, and has built a solid position in Japan by winning more orders in the public sector, where selection criteria are stricter, as proof of its technological capabilities and reliability surpassing those of competitors. After the Transaction is completed, the Tender Offeror will endeavor to further enhance the corporate value of the Target Company by providing global franchise-based support of Goldman Sachs (i.e., in the Target Company's overseas expansion strategy, Goldman Sachs will provide support for the acquisition of overseas local companies and business tie-ups

based on an overview of major market industries, and provide development services targeting large-scale and a wide range of asset classes, such as real estate, logistics facilities, and toll roads, utilizing the development and investment track record of Goldman Sachs), taking advantage of the track record and position based on its industry-leading technology and business foundation, as well as the relationship of trust it has with customers.

In addition, for the purpose of establishing an appropriate management structure for the Target Company after the Transaction, it is planned that a person newly appointed by Related Parties of the Tender Offeror will be appointed as a director of the Target Company, after Share Consolidation. Details including the specific candidates and other management structures, have not been determined, but ENEOS and GSSPC will each appoint four directors of the Target Company in consultation with the Target Company.

The basic policy of GSSPC and ENEOS is to relist the Target Company's shares after enhancing the Target Company's corporate value through the Transaction. (At this point, there is no specific expectation regarding the timing and conditions of the relisting, and the goals and policy are not yet determined.)

As described in "(ii) Shareholders Agreement" of "(4) Material Agreement Concerning the Tender Offer" below, GSSPC and ENEOS entered into a shareholders agreement as of September 7, 2021 (the "Shareholders Agreement") and have agreed that the number of directors of the Tender Offeror shall be two, ENEOS and GSSPC may each appoint one director, the number of directors of the Target Company shall be eight and ENEOS, and GSSPC may each appoint four directors, and agreed on matters related to the operation of the Tender Offeror and the Target Company. For more details, see "(ii) Shareholders Agreement" of "(4) Material Agreement Concerning the Tender Offer" below.

(3) Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest

Since ENEOS, which plans to invest in the Tender Offeror together with GSSPC after the Tender Offer, is the parent company of the Target Company as of the date of this Press Release, and the Target Company will continue to be a consolidated subsidiary after the Transaction including the Tender Offer, and the Tender Offeror will make the Target Company become its wholly owned subsidiary by Treasury Share Acquisition in light of the fact that the Transaction may typically cause structural conflicts of interest and information asymmetry exist between the Tender Offeror and minority shareholders, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest, the Tender Offeror and the Target Company implemented the following measures. The following measures taken at the Target Company are based on the Target Company Press Release and the explanation received from the Target Company.

In addition, as of the date of this Press Release, since the Related Parties of the Tender Offeror hold a total of 67,890,336 shares of the Target Company (holding ratio: 57.01%), the Tender Offeror believes that if the lower limit of the "Majority of Minority" is set in the Tender Offer, the completion of the Tender Offer will be

destabilized, and there is a possibility that the lower limit of the “ Majority of Minority” may not do good for the interests of minority shareholders who wish to tender their shares in the Tender Offer, and therefore, the Tender Offeror has not set a lower limit of the so-called “Majority of Minority ” in the Tender Offer, but the Related Parties of the Tender Offeror believe that the interests of the minority shareholders of the Target company have been sufficiently considered as the Related Parties of the Tender Offeror and the Target Company have taken the measures set forth in (I) through (VIII) below.

(I) Establishment of an Independent Special Committee in the Target Company

(i) Background of establishment, etc.

As described in "(i) Background of Establishment of System for Consideration" under "(III) Decision-making Process and Reasons Leading to Target Company Supporting Tender Offer" in "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" above, the Target Company established the Special Committee by a resolution at a meeting of the Board of Directors of the Target Company held on July 5, 2021. Prior to the establishment of the Special Committee, the Target Company also confirmed the independence and eligibility, etc. of the Target Company’s independent outside directors and independent outside corporate auditors who are candidates for the members of the Special Committee. In addition, after confirming that they are independent of the Target Company and the Related Parties to the Tender Offeror, and that it does not have any material interest different from that of the minority shareholders in the success or failure of the Transaction, the following persons were appointed as independent outside directors of the Target Company: Tsutomu Kimura (Independent Outside Director of the Target Company, Advisor to the National Institution for Academic Degrees and University Reform), Muneaki Ueda (Independent Outside Director of the Target Company, Chairman of Professional Bank, Inc., Takashi Kashihara (Independent Outside Director of the Target Company, Special Advisor to Uchida Yoko Co., Ltd.) as candidates for of the Special Committee. The members of the Special Committee have not changed since the establishment of the Special Committee. In parallel, since late June 2021, in order to establish a system to examine, negotiate and make decisions regarding the Transaction from the standpoint of enhancing the corporate value of the Target Company and securing the interests of the Target Company’s minority shareholders from a standpoint independent of the Related Parties to the Tender Offeror, the Target Company, with the advice of Mori Hamada & Matsumoto, has been requesting Mr. Tsutomu Kimura, Mr. Muneaki Ueda and Mr. Takashi Kashihara to explain that they were initially approached by ENEOS and Goldman Sachs regarding the Transaction, and that the Transaction would be free from structural conflicts of interest and information. In order to establish a system to examine, negotiate, and make decisions regarding the Transaction from the perspective of securing the interests of ENEOS and Goldman Sachs, the Target Company, with the advice of Mori Hamada & Matsumoto, requested that Mr. Tsutomu Kimura, Mr. Muneaki Ueda, and Mr. Takashi Kashihara receive an initial proposal from ENEOS and Goldman Sachs regarding the Transaction, and that, since the Transaction falls under the category of transactions with structural conflicts of interest and information asymmetry issues, the Target Company, when

examining and negotiating the Transaction, should establish a special committee. As the Transaction falls under the category of transactions with structural conflicts of interest and information asymmetry issues, it is necessary to take sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including the establishment of a special committee, when considering and negotiating the Transaction.

Then, As described in "(III) Decision-making Process and Reasons Leading to Target Company Supporting Tender Offer" under "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" above, ENEOS and Goldman Sachs established the Special Committee by resolution at the extraordinary meeting of the Board of Directors held on July 5, 2021, which was promptly after the receipt of the Proposal for the Transaction from ENEOS and Goldman Sachs on June 28, 2021, and consulted the Special Committee on the Consulted Matters. Furthermore, the Board of Directors resolved to make decisions on the Transaction with utmost respect to the judgments of the Special Committee, and not to decide to implement the Transaction if the Special Committee determines that the purpose, terms and conditions or procedures of the Transaction, including the Tender Offer, are inappropriate. In addition, the Board of Directors of the Target Company has been resolved that the Special Committee shall be empowered to: (i) substantially participate in the process of negotiations with the Tender Offeror (including receiving reports on the status of such negotiations and, if necessary, giving instructions or making requests with respect to the policy of negotiations with the Tender Offeror, and negotiating with the Tender Offeror on its own); (ii) appoint or approve (including after-the-fact approval) the Target Company's financial or legal advisors in considering the Consulted Matters, and appoint the Special Committee's own financial or legal advisors as necessary (in this case, the Target Company shall bear the costs); (iii) receive information necessary to consider and make decisions regarding the Transaction from the officers and employees of the Target Company, and (iv) request persons deemed necessary by the Special Committee to attend the Special Committee meetings and seek explanations regarding necessary information.

In the above-mentioned meeting of the Board of Directors of the Target Company, Mr. Satoshi Arishige, one of the directors of the Target Company, and Mr. Tatsu Tsuiki, one of the corporate auditors of the Target Company, have held positions as employees and directors of ENEOS and its subsidiaries in the past. Therefore, from the perspective of eliminating the possibility that the deliberations and resolutions at the meeting of the Board of Directors of the Target Company may be affected by structural conflicts of interest and information asymmetries in the Transaction, both of them did not participate in the deliberations and resolutions of the related proposals.

As compensation for their duties, each member of the special committee shall be paid a fixed amount of compensation per month, regardless of the content of the report.

#### (ii) Background of the study

The Special Committee met a total of 13 times between July 13, 2021 and September 6, 2021, and also carried out its duties related to the ConsultedMatters by reporting and sharing information, deliberating and making decisions, etc. via e-mail frequently during each meeting.

Specifically, as described in "Background of Establishment of System for Consideration" under "(III) Decision-making Process and Reasons Leading to Target Company Supporting Tender Offer" under "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" above, the Target Company received an initial explanation of the possibility of the Transaction from ENEOS and Goldman Sachs on April 16, 2021, and then the Target Company received the Initial Proposal from ENEOS and Goldman Sachs on June 28, 2021. Accordingly, the Target Company considered the policy of appointing Mizuho Securities as the Target Company's financial advisor and Mori Hamada & Matsumoto as the Target Company's legal advisor, and appointed these advisors at the meeting of the Board of Directors of the Target Company held on July 5, 2021, subject to the approval of the Special Committee, etc.

Subsequently, the Special Committee approved the appointments of the Target Company's financial advisor, Mizuho Securities, and the Target Company's legal advisor, Mori Hamada & Matsumoto, after confirming their respective degrees of independence, expertise, and achievements. As described in "(I) Share Valuation Report Obtained by the Target Company from Independent Third-Party Valuation Organization" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" above, Mizuho Bank, a group Target Company of Mizuho Securities, plans to provide financing for the Tender Offeror relating to the purchase fund, etc. However, the Special Committee approved the appointment of Mizuho Securities, as the third-party appraiser of the Target Company in view of its independence, expertise, etc..

In addition, the Special Committee appointed Yamada Consulting as the Special Committee's own financial advisor and third-party valuation organization with independence from Related Parties of the Tender Offeror, the Target Company and from the Transactions, after considering the independence, expertise, past results, etc. of several candidates for financial advisors and third-party valuation organizations.

Furthermore, the Special Committee approved the consideration system for the Transaction after confirming that there is no problem from the viewpoint of independence (including the scope of the Target Company's officers and employees who are involved in the review, negotiation and decision making with respect to the Transaction and their duties.) established internally by the Target Company.

Thereafter, the Special Committee has been considering the measures to be taken to ensure the fairness of the procedures in the Transactions, and the method and process of decision making of our Target Company pertaining to the Transaction based on the advice obtained from Mori Hamada & Matsumoto.

Also, the Special Committee received from the Target Company an explanation of the background of the preparation of the Business Plan and precondition, etc., as a business plan, which is the premise for the negotiation of the purchase price in the Tender Offer, and heard opinions from Yamada Consulting and Mizuho Securities. Based on the above, the Special Committee confirmed that the Business Plan is reasonable as business plan for use in the calculation of the share value in verifying the appropriateness of the Tender Offer Price, upon taking into consideration the contents thereof, the material precondition and the background of preparation, etc., and



approved that it shall be a premise for the negotiation of the Tender Offer Price.

The Special Committee has sent written questions to Goldman Sachs and ENEOS regarding the background and reasons for the proposal of the Transaction, the Target Company's business management policy after the Transaction, whether the execution of the Transaction will enhance the corporate value of the Target Company or have an adverse effect on the business of the Target Company, the content of the Shareholders Agreement, GSSPC's and ENEOS' policies regarding the holding and disposition of the Target Company Shares after the Transaction, and the procedures and terms of the Transaction. The Special Committee has directly received explanations from Goldman Sachs and ENEOS regarding these matters and has conducted a question-and-answer session at the Special Committee.

Moreover, the Special Committee requested the Target Company's Representative Director and President Yoshikazu Kikkawa and Representative Director and Senior Managing Executive Officer Yuji Hashimoto to attend the Special Committee, and sent written questions to them regarding the background of the consideration of the Transaction and the purpose of the Transaction, the Target Company's policy on business operations after the Transaction, the Target Company's management challenges, whether the execution of the Transaction will enhance the corporate value of the Target Company or have an adverse effect on the business of the Target Company, the Target Company's management policy after the Transaction and other matters, and held a question-and-answer session along with a hearing on the Target Company management's views on these matters and related information.

Further, the Special Committee has confirmed the rationality of the content of the Business plan, the material precondition and the process of preparation, etc., based on the financial advice received from Yamada Consulting and Mizuho Securities. Furthermore, as described in "(I) Share Valuation Report Obtained by the Target Company from Independent Third-Party Valuation Organization" and "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" above, Yamada Consulting and the Mizuho Securities perform valuation of Shares based on Business Plan. The Special Committee received explanations from Yamada Consulting and Mizuho Securities with respect to the valuation of the Target Company Shares performed by each of them, the reason for the adoption of such valuation, the content of the valuation by each valuation method, and material precondition (including the basis for calculating the discount rate under the DCF method and the reason for selecting a comparable Target Company under the Comparable Companies Analysis or the Comparable Target Company analysis method.), and after deliberations and examinations, it confirmed the reasonableness of such valuation. Furthermore, as described in "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" above, the Special Committee confirmed the procedures for issuing a fairness opinion at Yamada Consulting and received this fairness opinion (Yamada Consulting) from Yamada Consulting as of September 6, 2021.

Also, the Special Committee, taking into account the advice of the external advisors (tax experts), confirmed that the Treasury Share Acquisition Price has been set in such manner that, even after fully considering the tax benefits that ENEOS may theoretically enjoy by applying the provisions for exclusion of deemed dividends from gross profits under the Corporation Tax Act if ENEOS were to tender its shares in the Treasury Share Acquisition, the amount of the proceeds after tax if ENEOS were to tender its shares in the Tender Offer would be equivalent to the amount of the proceeds after tax if ENEOS were to tender its shares in the Treasury Share Acquisition.

In addition, since the Special Committee received the first proposal from Goldman Sachs and ENEOS on July 26, 2021 that the Tender Offer Price be set at 3,600 yen per share, the Special Committee has continuously discussed and negotiated with the Related Parties to the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price. Specifically, in response to the proposal made on July 26, 2021, the Special Committee, on August 3, 2021, requested that the Tender Offer Price be raised and that the schedule for the Transaction be reconsidered in order to ensure a sufficient period of time for consideration in terms of enhancing the corporate value of the Target Company and protecting the interests of the minority shareholders. In response to this, the Related Parties to the Tender Offeror re-proposed that the Tender Offer Price be set at 3,800 yen per share on August 5, 2021 and that the date of public announcement of the Transaction be September 7, 2021. In response, on August 6, 2021, the Special Committee again requested a review of the Tender Offer Price, and on the August 12, 2021, the Related Parties of the Tender Offeror re-proposed the Tender Offer Price to be 3,850 yen per share. In addition, on August 18, 2021, the Special Committee, while confirming the relationship with the acquisition price of the Treasury Share Acquisition and its intention to set the Majority of Minority Terms, again requested a review of the tender offer price. Accordingly, on August 23, 2021, the Related Parties of the Tender Offeror proposed to set the Tender Offer Price at 3,900 yen per share and, taking into consideration that the provisions for exclusion of deemed dividends from gross profits would apply to the Treasury Share Acquisition Price, to set the Treasury Share Acquisition Price at 2,790 yen per share based on an amount equivalent to the after-tax proceeds if ENEOS accepted the tender offer and the after-tax proceeds if ENEOS accepted the share repurchase. Even after receiving such proposal, the Special Committee judged that further negotiations should be conducted from the viewpoint of the interests of the minority shareholders, and on August 26, 2021, the Special Committee requested the Related Parties to the Tender Offeror to repropose the Tender Offer Price as 4,000 yen per share based on the market price and other market conditions as of that date. As a result, on August 30, 2021, the Special Committee received a proposal from the Related Parties of the Tender Offeror to set the Tender Offer Price at 4,000 yen per share and the Treasury Share Acquisition Price at 2,859 yen per share, and determined that, in principle, the price was reasonable from the viewpoint of the interests of the minority shareholders. As a result, on September 7, 2021 the Target Company received a proposal from a Related Party of the Tender Offeror that the Tender Offer Price be set at 4,000 yen per share and the Treasury Share Acquisition Price be set at 2,859 yen, resulting in an increase of 11.11% in price compared to the initial proposal price.

In the course of such negotiations, the Special Committee deliberated carefully from the perspective of the

interests of the minority shareholders based on various advice received from Yamada Consulting, Mizuho Securities, and Mori Hamada & Matsumoto and decided its own negotiation policy. Specifically, first of all, the Special Committee has received from the Target Company an explanation regarding the preparation of the Business plan and precondition, etc. as business plan, which is to be a premise for the negotiation of the purchase price in the Tender Offer. In negotiations with the Related Parties of Tender Offeror, the Special Committee receives necessary advice from each advisor, deliberates on the matter, and informs the Related Parties to the Tender Offeror of the Special Committee's intention in writing that the Special Committee confirmed the content.

Furthermore, the Special Committee received explanations from Mori Hamada & Matsumoto on multiple occasions regarding the draft of the Target Company Press Release concerning the Tender Offer to be announced or submitted by the Target Company and the contents of the draft of the Tender Offeror press release and the draft of the Tender Offer Notification, and verified the contents thereof. These drafts describe, the management policies of the Target Company after the Transaction, the policies of ENEOS and Goldman Sachs on the holding and disposition of shares of the Tender Offeror and the Target Company and the terms and conditions of each agreement to be entered into among the Related Parties to the Tender Offeror, including the enhancement of the corporate value of the Target Company by the Transaction and the terms and conditions of the Transaction, including the price of the Treasury Share Acquisition are described. At the meeting of the Special Committee, ENEOS and Goldman Sachs, as well as the Target Company, were asked to attend the meeting to receive explanations on related matters and made efforts to obtain information by asking questions.

### (iii) Details of Determination

Under the above-mentioned circumstances, the Special Committee carefully discussed and considered the Consultation Matters based on the legal advice from Mori Hamada & Matsumoto and the advice received from Mizuho Securities and Yamada Consulting from a financial standpoint, as well as the contents of the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Yamada Consulting) and Fairness Opinion (Yamada Consulting) submitted on September 6, 2021, and submitted the Findings Report the contents of which are outlined below with unanimous approval from all members, after careful discussions and exhaustive considerations of the Consulted Matters to the Board of Directors of the Target Company on September 7, 2021.

### (a) Contents of Report

The Special Committee's report to the Board of Directors of the Target Company as of September 7, 2021 is as follows.

- i. It is believed that the purpose of the Transaction is reasonable in terms of whether or not it will contribute to the enhancement of the corporate value of the Target Company.
- ii. It is believed that from the perspective of the interests of the Target Company's minority shareholders, (a) the appropriateness of the terms and conditions of the Transaction and (b) the fairness of the procedures of the Transaction are ensured.

- iii. It is recommended to the Board of Directors of the Target Company that, if the the Tender Offer is commenced, it (i) express an opinion in support of the Tender Offer and recommend that the Target Company Shareholders tender their shares in the Tender Offer and (ii) make decisions in relation to the procedures for going private of the Target Company following the Tender Offer as part of the Transaction.
- iv. Decisions to be made by the Target Company (including the Board of Directors of the Target Company) regarding the implementation of the Transaction would not be disadvantageous to the minority shareholders of the Target Company.

(Note 7) Decisions regarding to the implementation of the Transaction include (i) decisions to express an opinion supporting the Tender Offer and recommend that the Target Company Shareholders tender their shares in the Tender Offer and (ii) decisions relating the execution of the Share Consolidation and the other procedures for taking the Target Company private after the Tender Offer as part of the Transaction.

(b) Reason for Report

- i. As a result of the consideration of the relevant circumstances including the following matters, the Special Committee has determined that the purpose of the Transaction is reasonable and that the Transaction will contribute to the enhancement of the corporate value of the Target Company.
  - The principal purpose of the Transaction is to respond to changes in the business environment surrounding the Target Company and realize the effect of enhancing the Target Company's corporate value by planning growth strategies and achieving flexibility and speed of decision making, while avoiding the possibility of conflict of interest that may arise due to parent/subsidiary listing, by going private (more specifically, by going private, the Target Company may achieve corporate value enhancement effects through expansion of overseas business and growth of real estate development business).
  - With the support of Goldman Sachs and ENEOS after the Transaction, it is reasonably expected that it will be possible to achieve corporate value enhancement effects such as expansion of overseas business and growth of real estate development business. In the case of going private with Goldman Sachs' acquisition of equity participation while maintaining its status as a consolidated subsidiary of ENEOS for the time being, it is expected that the aforementioned corporate value enhancement effects will be maximized by conducting flexible and prompt business judgment as a private Target Company while continuing to maintain and expand the stable core business of the Target Company within ENEOS group.
  - Regarding the possibility of adverse business effects associated with the Transaction, (i) the effect of equity participation by foreign investors: Goldman Sachs, (ii) the effect of repayment of borrowings procured to fund the settlement of the Tender Offer, etc., (iii) the effect on

maintenance of licenses and approvals, bidding qualifications, etc. held by the Target Company, and (iv) the effect on recruitment activities and other human capital management of the Target Company or the Target Company subsidiary, etc. have been examined, and the Special Committee believes that there are no material adverse effects, or reasonable countermeasures is taken if any such adverse effects exists.

- The Special Committee has also reviewed with ENEOS and the Target Company management the status of consideration of other options, including (i) the sale of ENEOS's shares in the Target Company to a third party, or (ii) ENEOS making the Target Company a wholly-owned subsidiary, or (iii) ENEOS partnering with a company other than Goldman Sachs, and has found that the proposed transaction involving the collaboration of ENEOS and Goldman Sachs is the most realistic and reasonable option in practice.
- ii. As a result of consideration of the relevant circumstances including the following matters, the Special Committee has determined that the appropriateness of the terms and conditions of the Transaction have been secured from the viewpoint of benefiting minority shareholders of the Target Company.
- The method of the Transaction will not prejudice the interests of any minority shareholders.
  - Although the Tender Offeror is a 100% (indirect) limited liability company owned by Goldman Sachs as of the time of the Tender Offer and there is no capital relationship with ENEOS with respect to the Transaction, the Related Parties to the Tender Offeror have agreed to enter into the Transaction Agreement as of September 7, 2021, the day on which the Transaction is announced, and to sequentially conduct a series of transactions including the Tender Offer, the Contribution, the Organizational Change, the Tender Offer, and the Treasury Share Acquisition by ENEOS.
  - The purchase price of the Treasury Share Acquisition is set so as not to be disadvantageous to minority shareholders as described below.
  - The Tender Offer Price is reasonable from the standpoint of the interests of the minority shareholders;
  - The Special Committee did not find anything particularly unreasonable with regard to the procedures and contents of the formulation of the Business Plan, which is used as the basis for the calculation by the DCF Method in the Share Valuation Report (Mizuho Securities) and the Share Valuation Report (Yamada Consulting).
  - The Share Valuation Report (Yamada Consulting) does not contain any unreasonable points concerning the calculation method and the content of the calculation and is thus deemed credible. The Tender Offer Price exceeds the upper limit of the calculation results of the market share price method and the comparable company method of the Share Valuation Report (Yamada Consulting) and exceeds the median value of the calculation results of the DCF Method (close to the mean value).
  - The Fairness Opinion (Yamada Consulting) does not contain any unreasonable points with

respect to the issuing procedures and the contents, and it is deemed credible, and it is deemed in that Opinion that the Tender Offer Price is considered reasonable from a financial point of view for the shareholders of the Target Company (excluding the Tender Offeror and its affiliated companies).

- The Share Valuation Report (Mizuho Securities) does not contain any particularly unreasonable points with respect to the calculation method and content, and it is deemed credible. The Tender Offer Price exceeds the upper limit of the calculation results of the market share price analysis method and the comparable company analysis method described in the Share Valuation Report (Mizuho Securities), and exceeds the median (and the mean value) of the calculation results of the DCF Method.
- The premium level of the Tender Offer Price with respect to the market share price is deemed to be comparable and reasonable in light of premium levels in tender offers conducted by controlling shareholders for the purpose of taking a listed subsidiary private that are similar transactions to the Transaction, taking into consideration the speculative report of June 11, 2021 and the subsequent increase of the share price of the Target Company, which exceeded the trends of the overall stock market and the trends of the average share price of other companies in the same industry during the period from August 30, 2021 to September 6, 2021, in light of the levels of premiums with a transaction date that is immediately before the date of the above speculative report as the reference date, in addition to the levels of premiums with a transaction date that is immediately before the date of the announcement of the Tender Offer as the reference date.
- It can be judged that the Tender Offer Price is reasonable even from the perspective of appropriate distributions of the effect of the enhancement of the corporate value of the Target Company as a result of the Transaction.
- The Treasury Share Acquisition Price is reasonable from the viewpoint of the interests of the minority shareholders;
- The Treasury Share Acquisition Price is set so that, even in the maximum consideration of the tax advantages which ENEOS may theoretically enjoy by applying the provisions for exclusion from gross profits of deemed dividends prescribed in the Corporation Tax Act in the case of accepting the Treasury Share Acquisition, the amount of proceeds after tax is equivalent between the casewhere ENEOS participates in the Tender Offer and the case where ENEOS accepts the Treasury Share Acquisition, to the extent that the amount of proceeds after tax in the latter does not exceed the former.
- Other conditions are not considered to be detrimental to the interests of the minority shareholders;
- With respect to the transaction terms of the Transaction other than the Tender Offer Price and the Treasury Share Acquisition Price, including the terms and conditions of the Transaction Agreement and the Shareholders Agreement as set forth in the Tender Offeror Press Release, no

event has been confirmed that should be considered to unfairly benefit any of the Related Parties of the Tender Offeror at the expense of the Target Company's minority shareholders, and there are no circumstances that would impair the appropriateness of the transaction terms of the Transaction.

iii. As a result of the consideration of the relevant circumstances including the following matters, the Special Committee determined that the procedures for the Transaction are fair from the viewpoint of promoting the interests of the minority shareholders of the Target Company.

- The Target Company Board of Directors has established a Special Committee independent from the Target Company and the Related Parties of the Tender Offeror, and a system has been established to enable the Special Committee to be substantially involved in negotiations with the Related Parties of the Tender Offeror.
- The Special Committee shall have obtained a Share Valuation Report and a Fairness Opinion from Yamada Consulting, the Special Committee's own financial advisor and third-party appraiser.
- The Target Company has received legal advice from Mori Hamada & Matsumoto, an independent legal advisor of the Target Company.
- The Target Company obtained the Share Valuation Report from Mizuho Securities, the independent financial advisor and third-party valuation institution of the Target Company;
- With respect to the Transaction, an environment has been secured in which other potential acquirers can make counterproposals after the announcement where the so-called indirect market checks are conducted, and the fairness of the procedures will not be impaired by the absence of active market checks in the Transaction.
- The non-establishment of the Majority of Minority conditions may make the consummation of the Tender Offer unstable and may not benefit minority shareholders who wish to tender in the Tender Offer. In addition, it is recognized that sufficient measures to ensure fairness have been taken in the Transaction.
- In connection with the Transaction, the Special Committee will endeavor to collect information from the Related Parties to the Tender Offeror, make adequate disclosure thereof, and secure opportunities for minority shareholders to make appropriate judgments based on sufficient information.
- It will implement the Tender Offer as soon as possible if the Tender Offer is successful, and it is clarified that upon implementing the Tender Offer, the amount of money to be delivered to the shareholders of the Target Company will be calculated to be the same as the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by each such shareholder, in order to avoid the occurrence of any coercive force;
- There is no fact which causes presumption that the Target Company was unduly influenced by

the Related Parties to the Tender Offeror in the course of discussions, examinations and negotiations pertaining to the Transaction.

- iv. Considering the matters set forth in (i) through (iii) above, the Special Committee recommends to the Board of Directors of the Target Company based on the conditions as of the date of the preparation of the findings report that if the Tender Offer is commenced, it should implement the Transaction, including expressing its approval for the Tender Offer, and the Special Committee believes that it would not be disadvantageous to the minority shareholders of the Target Company for the Target Company (including the board of directors of the Target Company) to make a decision regarding the implementation of the Transaction.

(II) Share Valuation Report and Fairness Opinion Obtained by Special Committee from Independent Financial Advisor and Third-Party Valuation Organization

As set forth in "(I) Establishment of an Independent Special Committee by the Target Company" above, the Special Committee appointed Yamada Consulting as its financial advisor and third-party valuation organization that is independent from Related Parties of the Tender Offeror, received advice from a financial standpoint including advice on the computation of the Shares and negotiation policy with the Related Party of the Tender Offeror and obtained the Share Valuation Report (Yamada Consulting) as of September 6, 2021. In addition, the Special Committee obtained from Yamada Consulting the Fairness Opinion stating that the Tender Offer Price of JPY 4,000 per share is fair to the shareholders of the Target Company (excluding ENEOS) from a financial point of view, as well. For overview of the Share Valuation Report (Yamada Consulting) and the Fairness Opinion, please refer to "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" above.

Please note that Yamada Consulting is not a related party of the Target Company or the Related Parties to the Tender Offeror and does not have any material interest to be noted in the Transactions including the Tender Offer. For details on the independence of Yamada Consulting, please refer to "(ii) Background to Considerations" under "(I) Establishment of an Independent Special Committee by the Target Company".

(III) Advice Received from Independent Legal Advisor of Target Company

As set out in "(I) Establishment of an Independent Special Committee by the Target Company" above, the Target Company appointed Mori Hamada & Matsumoto as its legal advisor independent from the Related Party of the Tender Offeror, and the Target Company received legal advice including advice with respect to the measures to be taken to ensure the fairness of procedures taken in the Transactions, various steps to be taken for the Transactions, and the method for decision-making by the Target Company for the Transactions and the process, etc. thereof.

Please note that Mori Hamada & Matsumoto is not a related party of the Target Company or Related



Party to the Tender Offeror and does not have any material interest to be noted in the Transactions including the Tender Offer.

(IV) Share Valuation Report Obtained from Independent Financial Advisor and Third-Party Valuation Organization of Target Company

As set out in "(I) Establishment of an Independent Special Committee by the Target Company" above, the Target Company appointed Mizuho Securities as its financial advisor and third-party valuation organization who is independent from the Target Company and Related Parties of the Tender Offeror, received advice and assistance from a financial standpoint including advice on the computation of the Shares and negotiation policy with the Related Party of the Tender Offeror and obtained the Share Valuation Report (Mizuho Securities) as of September 6, 2021. For an overview of the Share Valuation Report (Mizuho Securities), please refer to "(I) Establishment of an Independent Special Committee by the Target Company" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" above.

Please note that Mizuho Securities is not a related party of the Target Company or a Related Party to the Tender Offeror. As described in "(II) Share Valuation Report and Fairness Opinion Obtained by the Special Committee from an Independent Third-Party Valuation Organization" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" above, Mizuho Bank, a group company of Mizuho Securities, is scheduled to provide the Tender Offeror with loans for the purchase funds, etc. and the Special Committee approved the appointment of Mizuho Securities as a Third-Party Valuation Organization of the Target Company in view of the independence and expertise of Mizuho Securities. For independence of Mizuho Securities, please refer to "(I) Establishment of an Independent Special Committee by the Target Company" under "(How the Tender Offer Price was determined)" under "(ii) Details of valuation" under "(4) Basis for valuation of Tender Offer Price, Etc." under "2. Outline of Tender Offer" above.

(V) Establishment of an independent review system at Target Company

As described in "(III) Decision-making Process and Reasons Leading to Target Company Supporting Tender Offer" under "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" above, the Target Company has established a system within the Target Company to examine, negotiate, and make decisions regarding the Transaction from the perspective of enhancing the Target Company's corporate value and securing the interests of the Target Company's minority shareholders, independent from the Related Party of the Tender Offeror. Specifically, since the end of June 2021, the Target Company has decided not to engage in discussions and negotiations concerning the terms and conditions of the Transaction between the Target Company and Related Parties of the Tender Offeror, including, but not limited to, officers and employees of the Target Company who currently serve or who served concurrently as officers and employees of

ENEOS or GSSPC, to eliminate the possibility of being affected by structural conflicts of interest, and it has continued such measures until the date of this Press Release. In addition, the fact that there is no problem from the perspective of independence, etc. with respect to the examination system for the Transaction established within the Target Company has been approved by the Special Committee.

(VI) Approval of All Directors Disinterested in the Target Company and Opinion of No Objection of Auditors Disinterested in the Target Company

The Board of Directors of the Target Company carefully discussed and considered whether the Transactions, including the Tender Offer, would contribute to the increase of corporate value of the Target Company, and whether the terms and conditions of the Transactions, including the Tender Offer Price, are reasonable, based on the legal advice received from Mori Hamada & Matsumoto and the advice from a financial standpoint and the content of the Share Valuation Report (Mizuho Securities) received from Mizuho Securities, and the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting) obtained through the Special Committee, and with maximum respect for the contents of the determinations by the Special Committee stated in the Findings Report, as described in "(III) Decision-making Process and Reasons Leading to Target Company Supporting Tender Offer" under "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" above.

As a result, at the meeting of the Board of Directors of the Target Company held on September 7, 2021, the Target Company determined that (i) the Transaction, including the Tender Offer, will contribute to the enhancement of the corporate value of the Target Company as described in "(III) Decision-making Process and Reasons Leading to Target Company Supporting Tender Offer" under "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" above, and (ii) the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable and secure the benefits to be enjoyed by the minority shareholders of the Target Company, and that the Tender Offer will provide the minority shareholders of the Target Company with a reasonable opportunity to sell their the Target Company Shares at an appropriate price of premium. At the meeting of the Board of Directors of the Target Company held on that day, all of the directors of the Target Company who participated in the deliberations and resolutions unanimously expressed their opinion that if the Tender Offer is commenced, in the opinion of the Target Company at the present time, and that they support the Tender Offer and recommended the shareholders of the Target Company that they tender in the Tender Offer.

At the meeting of the Board of Directors of the Target Company held at the date of this Press Release described above, Mr. Satoshi Arishige, one of the directors of the Target Company, and Mr. Toru Tsuiki, one of the auditors of the Target Company, did not participate in the deliberation and resolution of related items from the viewpoint of eliminating the possibility that the deliberation and resolution of the Board of

Directors would be affected by structural conflict of interest issues and information asymmetry issues in the Transaction, because they had held positions as employees and directors of ENEOS and its subsidiaries in the past. The above resolution was deliberated by all of the Directors, except for Mr. Satoshi Arishige, and unanimously adopted. All of the Auditors, except for Mr. Toru Tsuiki, expressed their opinion that they have no objection.

Mr. Satoshi Arishige, one of the directors of the Target Company, did not participate in the deliberation and resolution of related items of the Transaction including the Board of Directors meeting held at the date of this Press Release from the viewpoint of eliminating the possibility that the it would be affected by structural conflict of interest issues and information asymmetry issues in the Transaction, and did not participate in the deliberations and negotiations with the Related Parties of the Tender Offeror concerning the Transaction in his capacity as the Target Company.

Mr. Toru Tsuiki, one of the auditors of the Target Company, did not participate in the deliberation of the Board of Directors on the Transaction above from the viewpoint of eliminating the possibility that the it would be affected by structural conflict of interest issues and information asymmetry issues in the Transaction, and refrained from expressing his opinion on the above Board of Directors meeting resolution.

#### (VII) No Deal Protection Clause

The Target Company and the Related Parties of the Tender Offeror have not entered into any agreement that limits opportunities for the Target Company to have contact with a competing offeror, such as an agreement that includes deal protection provisions that prohibit the Target Company from having contact with a competing offeror, and not precluded opportunities of competing purchases; thus, they have given consideration to ensuring the fairness of the Tender Offer.

#### (VIII) Measures to Ensure Opportunities for Target Company's Shareholders to Appropriately Determine Whether or Not to Tender in Tender Offer

As set out in "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" below, after consummation of the Tender Offer, Tender Offeror is planning to request the Target Company to promptly hold an special shareholders' meeting for Share Consolidation and the amendment to the articles of incorporation to abolish the provisions as to share unit number conditional after Share Consolidation comes into effect and made it clear that the cash amount to be delivered to the Target Company's shareholders in the case of a demand for sale of shares or the Share Consolidation would be calculated so as to be equal to the Tender Offer Price multiplied by the number of the Shares held by each of such, and thus, this has given consideration to ensuring that the Target Company's shareholders would have the opportunity to appropriately determine whether or not to tender in the Tender Offer and would not be coerced.

In addition, the Tender Offeror sets a Tender Offer Period of 30 business days, though the statutory minimum period for a tender offer is 20 business days. The Tender Offeror secures a period for shareholders

of the Target Company to consider the appropriateness of the Transaction and reasonableness of the Tender Offer Price as well as make a proper decision on whether or not to apply for the Tender Offer, by setting a relatively long Tender Offer Period.

(4) Material Agreement Concerning the Tender Offer

(i) Transaction Agreement

GSSPC and ENEOS have entered into the Transaction Agreement containing the following matters relating to the terms and conditions of the Transaction as of the date of this Press Release:

- (i) GSSPC causes the Tender Offeror to commence the Tender Offer as part of the Transaction in accordance with the conditions for purchase set forth in the Transaction Agreement subject to the satisfaction of the following Tender Offer Conditions (or waiver thereof by GSSPC and ENEOS; provided, however, that the Tender Offer Conditions (VIII) and (IX) cannot be waived by a party who breached the same):
  - (I) A special committee established within the Target Company has provided a report to express its support of the Target Company's approval of the Tender Offer, the recommendation to the Target Company's shareholders to tender their shares in the Tender Offer, and the implementation of the Transaction, and the relevant report has not been withdrawn;
  - (II) The Target Company's board of directors has unanimously resolved (excluding any directors who have or may have special interests with ENEOS) to support the Tender Offer and to recommend the Target Company's shareholders to tender their shares in the Tender Offer, such resolution has been publicized, and no resolution to withdraw such opinion or otherwise inconsistent with such opinion has been made;
  - (III) There is no material change regarding the businesses or properties of the Target Company or its subsidiaries as defined in the proviso clause of Article 27-11, Paragraph 1 of the Act, or any other event that may constitute a material obstacle to the fulfillment of the purpose of the Tender Offer;
  - (IV) No petition, lawsuit or procedure to restrict or prohibit any part of the Transaction is pending against any legal or administrative authorities, no decisions have been made by legal or administrative authorities that restrict or prohibit any part of the Transaction, and there is no real threat thereof;
  - (V) With regard to the Transaction, Permits have been obtained in the Areas Subject to Notification Under Antitrust Laws, and the waiting period has elapsed (if any) (including a receipt of notice that no Cease and Desist Order will be made). Moreover, the Japan Fair Trade Commission or any other legal or administrative authorities of the relevant countries or regions are reasonably expected not to impose any measures or procedures that may prevent the completion of the Transaction;
  - (VI) With regards to the notification under Article 27, Paragraph 1 of FEFTA, the period set forth in Article 27, Paragraph 2 of the FEFTA (or any shorter period if the period was shortened pursuant to the same Paragraph) has expired without any measures or procedures taken by administrative authorities that prevent the Tender Offer, or such period is reasonably expected to expire prior to the commencement date of the settlement for the Tender Offer;

- (VII) The Shareholders Agreement, the contribution agreement concerning the ENEOS Contribution entered into by and between ENEOS and the Tender Offeror, and the contribution agreement concerning the GSSPC Contribution entered into by and between GSSPC and the Tender Offeror have been validly executed and remain in full force and effect;
- (VIII) GSSPC and ENEOS have performed or complied with in all material respects any and all obligations that must be performed or complied with under the Transaction Agreement prior to the commencement date of the Tender Offer;
- (IX) The representations and warranties of ENEOS, representations and warranties of Nogizaka Holdings, and representations and warranties of Aether Holdings under the Transaction Agreement are true and accurate in all material respects; and
- (X) The Target Company has confirmed that there are no material facts pertaining to the businesses (as defined in Article 166, Paragraph 2 of the Act) concerning the Target Company that are not publicized (as defined in Article 166, Paragraph 4 of the Act) by the Target Company.
- (ii) ENEOS will not tender Non-tendered Shares in the Tender Offer. (Note 1): GSSPC and ENEOS are under a confidentiality obligation and other general obligations under the Transaction Agreement until commencement of the Tender Offer;
- (iii) GSSPC and ENEOS will sequentially execute a series of transactions in the Transaction (Tender Offer, Contribution, Organizational Change, Share Consolidation and Treasury Share Acquisition) (including exercise of voting rights by the Tender Offer and the Target Company required for execution of the Transaction) following conclusion of the Tender Offer;
- (iv) ENEOS will sell all of the Target Company Shares owned by EARTH in response to the Treasury Share Acquisition;
- (v) GSSPC and ENEOS will enter into the Shareholders Agreement;
- (vi) Matters concerning representations and warranties by each Party (specific content of the representations and warranties, which are in general (i) validity of its incorporation and existence as a corporation, (ii) existence of authority and capacity necessary for lawful and valid execution and performance of the Transaction Agreement and lawful fulfillment of necessary procedures for such purposes, (iii) enforceability of the Transaction Agreement, (iv) no conflict with laws and regulations, (v) acquisition and fulfillment of permissions, (vi) lawful and valid ownership of the Target Company Shares by ENEOS, (vii) no existence of transactions with Antisocial Forces, (viii) no existence of insolvency proceedings, and (ix) compliance with regulations on personal information and proper management and acquisition of personal information.

In addition to these, GSSPC and ENEOS have agreed in the Transaction Agreement upon an indemnification obligation and damage diminishing obligation in case of failure to perform their obligations and breach of representations and warranties, cancellation and termination of agreements, a confidentiality obligation, an obligation not to assign or otherwise dispose of or take over their contractual status, rights and obligations, an obligation to consult in good faith on matters not provided in an agreement or doubt on a clause thereof.

(ii) Shareholders Agreement

As stated in "(iv) Post-Tender Offer Management Policy" under "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy," GSSPC and ENEOS entered into the Shareholders Agreement as described below as of the date of this Press Release with regard to operation and handling of shares, etc., of the Tender Offeror and the Target Company after the Transaction:

- (i) the number of directors of the Tender Offeror is two persons and each of ENEOS and GSSPC can appoint 1 person, and the number of directors of the Target Company is eight persons and each of ENEOS and GSSPC can appoint 4 persons;
- (ii) the number of representative directors of the Target Company is two persons and each of ENEOS and GSSPC can appoint one person;
- (iii) the Target Company establishes a management committee composed of four persons in total: two representative directors of the Target Company and 2 other members appointed by GSSPC;
- (iv) the number of statutory auditors of the Tender Offeror and the Target Company is one person (appointed by ENEOS) and three persons (appointed by ENEOS), respectively;
- (v) accounting auditor of the Tender Offeror and the Target Company is appointed by agreement between ENEOS and GSSPC;
- (vi) implementation of (i) change in the stated capital or reserves, (ii) determination or change in executive remuneration, (iii) dividends and other distribution of profits, (iv) approval of financial statements and (v) acquisition of treasury shares (except those planned in an annual budget or business plan), in each case, requires a resolution of the general meeting of shareholders of the Target Company and requires prior confirmation of the intention of GSSPC and its approval;
- (vii) if the Tender Offeror or the Target Company decides to get relisted, GSSPC is entitled to request ENEOS to sell all or some of the class A shares of the Tender Offeror held by ENEOS (the number of shares equivalent to 9.95% at maximum of the total number of issued shares) (such class A shares will become convertible to common shares if (i) the Tender Offeror or the Target Company decides to get relisted, (ii) ENEOS or GSSPC receives from the other party a request to sell common shares held by it when it intends to transfer common shares in the Tender Offeror held by it, (iii) ENEOS or GSSPC enters into an agreement on transfer of common share in the Tender Offeror held by it with an intended transferee when such transfer is contemplated. Thus, if the Tender Offeror or the Target Company decides to get relisted, GSSPC may purchase from ENEOS class A shares equivalent to 9.95% at maximum of the total number of issued shares in the Tender Offeror, and then convert the class A shares to common shares at a one-to-one ratio).
- (viii) Matters concerning representations and warranties by each Party (specific content of the representations and warranties, which are in general (i) validity of its incorporation and existence as a corporation, (ii) existence of authority and capacity necessary for lawful and valid execution and performance of the Transaction Agreement and lawful fulfillment of necessary procedures for such purposes, (iii)

enforceability of the Transaction Agreement, (iv) no conflict with laws and regulations, (v) no existence of insolvency proceedings, and (vi) compliance with regulations on personal information and proper management and acquisition of personal information.

In addition to these, GSSPC and ENEOS have agreed in the Transaction Agreement upon an indemnification obligation and damage diminishing obligation in case of failure to perform their obligations and breach of representations and warranties, cancellation and termination of agreements, a confidentiality obligation, an obligation not to assign or otherwise dispose of or take over their contractual status, rights and obligations, an obligation to consult in good faith on matters not provided in an agreement or doubt on a clause thereof.

GSSPC and ENEOS will respectively appoint four directors through consultation with the Target Company while specific candidates for directors and other details of the management system have not yet been determined at present.

#### (5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)

As is stated in "(1) Overview of the Tender Offer" above, once the Tender Offer is concluded, and if the Tender Offeror fails to acquire all of the Target Company Shares (provided, however, that this excludes treasury shares owned by the Target Company and the Non-tendered Shares owned by ENEOS), the Target Company will implement the following procedures and a series of procedures to make the Tender Offeror and ENEOS the sole shareholders of the Target Company.

Specifically, once the Tender Offer is concluded, the Tender Offeror will request that the Target Company promptly hold a special shareholders' meeting (the "Special Shareholders' Meeting") and that proposals be submitted that will include implementation of Share Consolidation of the Target Company Shares, and subject to the Share Consolidation being effective, changes to the Target Company's articles of incorporation that will eliminate provisions on a share unit number (the Target Company will immediately hold a Special Shareholders' Meeting upon such request from the Tender Offeror). The Tender Offeror and ENEOS will approve the proposals above at the Special Shareholders' Meeting.

If proposals concerning the Share Consolidation are approved at the Special Shareholders' Meeting, the Target Company shareholders will, as of the effective date of the Share Consolidation, each retain a number of the Target Company Shares corresponding to the Share Consolidation ratio approved at the Special Shareholders' Meeting. If the Share Consolidation results in fractional shares that are less than one share, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations, the Target Company shareholders retaining the fractional shares will be provided with money to be obtained through the sale of the Target Company Shares equivalent to the sum of the fractional shares (if the sum of the fractional shares is less than one share, the fractional shares will be discarded; the same applies hereinafter) to the Tender Offeror. With respect to the sale price of the Target Company Shares equivalent to the sum of the fractional shares, the Target Company will be requested to file a petition for permission for voluntary sale with a court, after ensuring that as a result of the sale of fractional shares, the monetary amount provided to each the Target Company shareholder who

did not apply for the Tender Offer (excluding the Tender Offeror, ENEOS and the Target Company) will be the same as the value calculated when the number of the Target Company Shares owned by each shareholder is multiplied by the Tender Offer Price. Although the consolidation ratio of the Share Consolidation has not yet been decided as of this date, the consolidation ratio will be determined such that as a result of the Share Consolidation, the shareholders of the Target Company who did not tender their Target Company Shares into the Tender Offer (excluding the Tender Offeror, ENEOS and the Target Company) will each hold fractional shares less than one share and that after the settlement of the sale of the sum of the fractional shares, the Tender Offeror and ENEOS will own all of the Target Company Shares (excluding treasury shares owned by the Target Company).

For the purpose of protecting the rights of minority shareholders in relation to the Share Consolidation, if the share consolidation is implemented and results in fractional shares that are less than one share, the Companies Act allows the Target Company shareholders to demand that the Target Company purchase all fractional shares less than one share owned by them at a fair price, as well as to petition a court for a decision regarding the sale price of their Target Company Shares, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. As described above, in connection with the Share Consolidation, the Target Company Shares to be owned by the Target Company shareholders who did not apply for the Tender Offer (excluding the Tender Offeror, ENEOS and the Target Company) will be fractional shares less than one share. Therefore, the Target Company shareholders who oppose the Share Consolidation will be able to petition a court for a decision regarding the sale price of their Target Company Shares. If the above petition is made, the sale price will be ultimately determined by a court.

Implementation of the above procedures may take time or be changed to another method that has almost the same effect, depending on the status of amendments to and interpretation by relevant authorities of the relevant laws and regulations, the percentage of ownership of shares, etc., of the Tender Offeror and ENEOS after the Tender Offer as well as the holding status of the Target Company Shares of the Target Company shareholders other than the Tender Offeror, etc. (If a shareholder appears who owns more Target Company Shares than those held by the Tender Offeror, the Tender Offeror intends to consult with ENEOS, etc., and handle the situation in order to achieve the post-Transaction capital relationship set forth in "IV Post-Transaction" under "(1) Overview of the Tender Offer" above). However, even in that event, measures will be taken by which monetary consideration will be ultimately provided to each Target Company shareholder who did not apply for the Tender Offer (excluding the Tender Offeror, ENEOS and the Target Company), and the value of that consideration will be calculated to be the price obtained when the number of the Target Company Shares owned by each Target Company shareholder is multiplied by the Tender Offer Price. The Target Company will promptly announce the specific procedures therefor, and implementation timing thereof in the above case, once they are determined. If the Special Shareholders' Meeting is held, it is expected to be held around February 2022.

The Tender Offer is not intended to solicit the Target Company shareholders to approve the relevant proposals at the Special Shareholders' Meeting. In addition, the Target Company shareholders are each personally responsible for consulting with experts, such as certified public tax accountants, regarding the handling of taxes relating to



applications for the Tender Offer, and the procedures described above.

(6) Likelihood of Delisting and Reason Thereof

Although the Target Company Shares are listed on the First Section of the TSE as of the date of this Press Release, the Tender Offeror has not set a maximum planned purchase quantity with respect to the Tender Offer, so it is possible that the Target Company Shares may be delisted following the designated procedures in accordance with the delisting criteria set out by the Tokyo Stock Exchange depending on the results of the Tender Offer.

Furthermore, even in the event those criteria do not apply at the time of the completion of the Tender Offer, the Target Company intends to go private with its shareholders limited to the Tender Offeror and ENEOS in accordance with the procedures described in "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" above after the completion of the Tender Offer, and thus in such case, the Target Company Shares will be delisted after the designated procedures in accordance with the delisting criteria set out by the Tokyo Stock Exchange. After delisting, the Target Company Shares will not be able to be traded on the Tokyo Stock Exchange.

2. Outline of Tender Offer

(1) Outline of the Target Company

(i)	Name	NIPPO CORPORATION																
(ii)	Address	1-19-11, Kyobashi, Chuo-ku, Tokyo																
(iii)	Name and title of Representative	Yoshikazu Yoshikawa, President and Representative Director																
(iv)	Description of business	Construction business (civil engineering relating to pavement, civil engineering work in general, construction), manufacturing and sales business of asphalt mixture and emulsion, real estate development business, other businesses (leasing of construction machines, etc.)																
(v)	Capital stock	15,324,503,088 yen																
(vi)	Date of incorporation	February 2, 1934																
(vii)	Major shareholders and shareholding ratios (as of March 31, 2021) (Note)	<table> <tr> <td>ENEOS Holdings, Inc.</td> <td>57.00%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>4.53%</td> </tr> <tr> <td>The Master Trust Bank of Japan ,Ltd. (Trust Account)</td> <td>4.46%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) RE</td> <td></td> </tr> <tr> <td>SILCHESTER INTERNATIONAL INVESTORS</td> <td></td> </tr> <tr> <td>INTERNATIONAL</td> <td></td> </tr> <tr> <td>VALUE EQUITY TRUST</td> <td>3.07%</td> </tr> <tr> <td>(Standing Proxy: Tokyo Branch of the Hongkong and Shanghai Banking Corporation Limited)</td> <td></td> </tr> </table>	ENEOS Holdings, Inc.	57.00%	Custody Bank of Japan, Ltd. (Trust Account)	4.53%	The Master Trust Bank of Japan ,Ltd. (Trust Account)	4.46%	NORTHERN TRUST CO. (AVFC) RE		SILCHESTER INTERNATIONAL INVESTORS		INTERNATIONAL		VALUE EQUITY TRUST	3.07%	(Standing Proxy: Tokyo Branch of the Hongkong and Shanghai Banking Corporation Limited)	
ENEOS Holdings, Inc.	57.00%																	
Custody Bank of Japan, Ltd. (Trust Account)	4.53%																	
The Master Trust Bank of Japan ,Ltd. (Trust Account)	4.46%																	
NORTHERN TRUST CO. (AVFC) RE																		
SILCHESTER INTERNATIONAL INVESTORS																		
INTERNATIONAL																		
VALUE EQUITY TRUST	3.07%																	
(Standing Proxy: Tokyo Branch of the Hongkong and Shanghai Banking Corporation Limited)																		

	MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB (Standing Proxy: BofA Securities Japan Co., Ltd.)	1.82%
	NORTHERN TRUST CO. (AVFC) RE U.S.TAX EXEMPTED PENSION FUNDS (Standing Proxy: Tokyo Branch of the Hongkong and Shanghai Banking Corporation Limited)	1.68%
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1.19%
	NORTHER TRUST CO. (AVFC) ACCOUNT NON TREATY (Standing Proxy: Tokyo Branch of the Hongkong and Shanghai Banking Corporation Limited)	1.02%
	MSIP CLIENT SECURITIES (Standing Proxy: Morgan Stanley MUFG Securities Co., Ltd.)	0.87%
	GOVERNMENT OF NORWAY (Standing Proxy: Tokyo Branch of Citibank, N.A.)	0.74%
(viii)	Relationship between the the Tender Offeror and the Target Company	
	Capital relationship	N/A
	Personal relationship	N/A
	Business relationship	N/A
	Applicability to related parties	N/A

(Note) "Major shareholders and shareholding ratios (as of March 31, 2021)" is copied from the description in "Status of Major Shareholders" of the Annual Securities Report for the 120th fiscal year filed by the Target Company on June 23, 2021.

## (2) Schedule of Tender Offer

The Tender Offer is planned to be launched promptly upon the satisfaction of the Tender Offer Conditions (or upon waiver by GSSPC and ENEOS) in accordance with the Transaction Agreement. Although it is difficult to precisely estimate the time needed for procedures at overseas competition authorities as of the date of this Press Release, it is expected that it will take about one month to two months from the date of this Press Release, and the aim is to launch the Tender Offer around mid-October 2021 to mid-November of the same year. The details of the schedule for the Tender Offer will be announced as soon as they are finalized.

The Tender Offer Period for the Tender Offer will be 30 business days, in principle.

## (3) Tender Offer Price, Etc.

4,000 yen per share of common shares

(4) Basis for valuation of Tender Offer Price, Etc.

(i) Basis for valuation

In determining the Tender Offer Price, the Tender Offeror conducted a multifaceted and comprehensive analysis of the Target Company's business and financial conditions, based on the financial information and other materials released by the Target Company and the results of the due diligence conducted on the Target Company from early July to August 6 of 2021. Also, considering that the Target Company Shares are traded in a financial instruments exchange, the Tender Offeror referred to the closing price of the Target Company Shares on the First Section of the TSE on September 6, 2021 (3,515 yen), which is the business day before the announcement date of the plan for the commencement of the Tender Offer (September 7, 2021), as well as to the changes in the simple average of the closing prices over the past one month (from August 10, 2021 to September 6, 2021) (3,128 yen), the simple average of the closing prices over the past three months (from June 7, 2021 to September 6, 2021) (3,122 yen), the simple average of the closing prices over the past six months (from March 8, 2021 to September 6, 2021) (3,055 yen) and the simple average of the closing prices over the past 12 months (from September 7, 2020 to September 6, 2021) (2,924 yen) until such date. In addition, since an observational report about the examination of options concerning listed subsidiaries by ENEOS (the "Observational Report") was made on June 11, 2021, it is considered that the price of the Target Company Shares has risen virtually taking into account the implementation of the Tender Offer, etc. Therefore, the closing price of the Target Company Shares on the First Section of the TSE on June 10, 2021 (3,010 yen), which is the business day immediately prior to the day the price has been affected by such report, as well as the changes in the simple average of the closing prices over the past one month (from May 11, 2021 to June 10, 2021) (2,921 yen), the simple average of the closing prices over the past three months (from March 11, 2021 to June 10, 2021) (2,984 yen), the simple average of the closing prices over the past six months (from December 11, 2020 to June 10, 2021) (2,885 yen) and the simple average of the closing prices over the past 12 months (from June 11, 2020 to June 10, 2021) (2,831 yen) until such date were also referred to. Moreover, after comprehensively considering the likelihood of the Target Company agreeing with the Tender Offer and the outlook on the completion of the Tender Offer, on August 30, 2021, the Tender Offeror notified the Target Company that the Tender Offer Price was planned to be 4,000 yen. On August 31, 2021, the Target Company replied that it had no objection to the notification, and therefore the Tender Offer Price was determined to be 4,000 yen. Since the Tender Offeror has determined the Tender Offer Price considering the above elements, it has not obtained any valuation report or fairness opinion from a third-party valuation organization.

(ii) Details of valuation

(How the Tender Offer Price was determined)

Related Parties of the Tender Offeror have held multiple consultations and negotiations with the Target Company regarding the Tender Offer Price since late July 2021. Specifically, based on the disclosed materials such as financial

information of the Target Company and the results of due diligence conducted on the Target Company, as well as the analysis using the share value valuation method commonly used in transactions similar to the Transaction, such as analysis of the market price trend of the Target Company and comparative analysis with similar listed companies by the Tender Offeror, Related Parties of the Tender Offeror proposed to the Target Company on July 26, 2021 that the Tender Offer Price would be 3,600 yen per share and that the date of the announcement of the Transaction would be August 24, 2021. Subsequently, based on the request on August 3, 2021 from the Special Committee to reconsider the Tender Offer Price and the schedule of the Transaction, Related Parties of the Tender Offeror repropoed to set the Tender Offer Price at 3,800 yen per share on August 5, 2021, and to set the date of the announcement of the Transaction to September 7, 2021. In response, on August 6, 2021, the Special Committee again requested the Tender Offeror to reconsider the Tender Offer Price, and on August 12, 2021, the Tender Offeror repropoed the Tender Offer Price to be 3,850 yen per share. After that, based on a request on August 18, 2021 from the Special Committee to reconsider the proposal including the Tender Offer Price, the Tender Offeror proposed to set the Tender Offer Price at 3,900 yen per share on August 23, 2021, and with respect to the Treasury Share Acquisition Price, in consideration of the exclusion of deemed dividends from gross profits, the Tender Offeror proposed to set the price at 2,790 yen per share on the basis of the amount equivalent to the amount of after-tax proceeds if ENEOS tenders for the Tender Offer at the Tender Offer Price and the amount of after-tax proceeds if ENEOS accepts the repurchase of treasury shares. However, based on a request on August 26, 2021 from the Special Committee to consider setting the price at 4,000 yen, the Tender Offeror gave the final proposal on August 30, 2021 to set the Tender Offer Price at 4,000 yen per share, and with respect to the Treasury Share Acquisition Price, to set the price at 2,859 yen per share in accordance with the same calculation measure proposed on August 12, 2021.

Considering comprehensively the disclosed materials such as financial information of the Target Company, the results of the due diligence conducted on the Target Company from June 30, 2021 to August 6 of the same year, and the results of analysis of the market price trend of the Target Company and the results of comparative analysis with similar listed companies at the Tender Offeror, as well as on the basis of the results of discussions and negotiations with the Target Company, the Tender Offeror and ENEOS finally determined the Tender Offer Price to be set at 4,000 yen per share as of September 7, 2021. For more details on the background leading to the Tender Offeror and ENEOS deciding on the implementation of the Tender Offer, see "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" under "1 Purpose of the Purchase" above.

Since the Tender Offeror has determined the Tender Offer Price after comprehensively considering the likelihood of the Target Company agreeing with the Tender Offer and the outlook on the completion of the Tender Offer, as well as on the basis of the discussions and negotiations with the Target Company, it has not obtained any valuation report from a third-party valuation organization.

According to the Target Company Press Release, the background to the determination of the Tender Offer Price at the Target Company is as follows. The following description is based on the Target Company Press Release and

the explanation received from the Target Company.

(I) Share Valuation Report Obtained by the Target Company from Independent Third-Party Valuation Organization

(i) Name of Valuation Organization and Relationship with the Target Company and the Related Parties of the Tender Offeror

In making consideration, negotiation and determination of the appropriateness of the terms and conditions of the Transaction including the Tender Offer, the Target Company asked Mizuho Securities, a financial advisor and third-party valuation organization, which is independent from the Target Company and the Related Parties of the Tender Offeror to compute the value of the Shares and to conduct financial analyses pertaining thereto, in order to ensure the fairness of such terms and conditions, and obtained the Share Valuation Report (Mizuho Securities) as of September 6, 2021.

Mizuho Securities is not a related party of the Target Company or a Related Party to the Tender Offeror. Please note that Mizuho Bank, a group company of Mizuho Securities, is scheduled to extend loans for purchase fund to the Tender Offeror. According to Mizuho Securities, it has established and taken proper measures including information barrier between Mizuho Securities and Mizuho Bank in accordance with applicable laws and regulations including Article 36, Paragraph 2 of the Financial Instruments and Exchange Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc., and computes the share value of the Target Company in a position independent from the lender of Mizuho Bank. The Special Committee has judged that there is no special problems in asking Mizuho Securities to compute the value of the Shares because sufficient independence of Mizuho Securities for conducting its duties as a financial advisor and third-party valuation organization is ensured in light of its performance as a valuation organization as well as the fact that appropriate preventative measures against adverse effects have been taken between Mizuho Securities and Mizuho Bank. Based on such judgment, the Target Company has determined to continue appointing Mizuho Security as the Target Company's financial advisor and third-party valuation organization even after it is determined that Mizuho Bank will extend loans for purchase fund to the Tender Offeror. The remuneration payable to Mizuho Securities for the Transactions does not include any incentive fee to be paid conditional upon the closing, etc. of the Transactions, including the Tender Offer. Please note that the Target Company has not obtained an opinion as to the fairness of the Tender Offer Price (fairness opinion) from Mizuho Securities.

(ii) Outline of Computation of the Shares

After reviewing the calculation method to be adopted from among the multiple share value calculation methods, based on the determination that it is appropriate to evaluate the value of the Shares from multiple dimensions, and considering the Target Company's financial conditions and the trend of the market price of the shares, Mizuho Securities computed the value of the Shares by adopting each of the market stock price method because the Shares are listed on the First Section of the TSE and Sapporo Securities Exchange and market stock prices are available, the comparable company analysis method because there are several listed companies that engage in the business

which is relatively similar to the Target Company's business and it is possible to infer the value of shares through comparison with comparable companies, and the DCF method to reflect the Target Company's future business activities in the computation. The range of the per-share value of the Shares computed based on each of said methods is as follows:

Market price standard method: 3,055 yen to 3,515 yen

Comparable company method: 2,219 yen to 2,856 yen

DCF method: 3,402 yen to 4,466 yen

With the average market price analysis, and with September 6, 2021, which is the business day immediately preceding the date of announcement of the Tender Offer, as the record date, based on the closing price of the Target Company Shares on the First Section of the TSE (3,515 yen), the simple average closing price (3,128 yen) for the most recent month until that date (from August 10, 2021 to September 6, 2021), the simple average closing price (3,122 yen) for the most recent three months until that date (from June 7, 2021 to September 6, 2021), and the simple average closing price (3,055 yen) for the most recent six months until that date (from March 8, 2021 to September 6, 2021), the range of the per-share value of the Target Company Shares was calculated to be from 3,055 yen to 3,515 yen.

Under the comparable company method, the Target Company selected Nippon Road Co., Ltd., Seikitokyu Kogyo Co., Ltd., and Toa Road Corporation as listed companies engaged in relatively similar businesses to the Target Company, and then calculated the share value of the Target Company Shares using the multiple of net income to share value and the multiple of net assets to share value to be in a range of share value per share of the Target Company Shares from 2,219 yen to 2,856 yen.

Under the DCF method, the Target Company's corporate value and share value are calculated by discounting the future free cash flow by a certain discount rate to its present value, based on various factors such as the financial forecasts and investment plans in the business plan prepared by the Target Company for the three fiscal years from the fiscal year ending March 2022 to the fiscal year ending March 2024 (the "Business Plan") and publicly available information. The range of share value per share of the Target Company's stock is calculated to be between 3,402 yen and 4,466 yen. The discount rate used is 5.61% to 6.61%. In calculating the going concern value, the perpetual growth rate method is used, and the perpetual growth rate is set at -0.50% to 0.50%.

The specific figures of the Target Company's financial forecast (consolidated), which Mizuho Securities used as a premise for the calculation in the DCF method, are as follows. The financial forecast does not include fiscal years in which a significant increase or decrease in profit is expected compared to the previous fiscal year. With regard to the said financial forecast, the Target Company and the special committee have held a question and answer session and the special committee has confirmed the reasonableness of the contents and assumptions. Such financial projections do not assume the execution of the Transaction.

(Unit: million yen)

	Fiscal year ending March 31, 2022	Fiscal year ending March 31, 2023	Fiscal year ending March 31, 2024

	(9 months)		
Net sales	376,042	470,000	480,000
Operating income	37,848	43,500	45,000
EBITDA	45,495	54,589	55,924
Free cash flow	-49,730	27,356	19,100

In calculating the share value of the Target Company Shares, Mizuho Securities has, in principle, used the information provided by the Target Company and publicly available information as is, assumed that all such information is accurate and complete, and has not independently verified the accuracy and completeness of such information. In addition, with respect to the financial forecasts and other future information (including forecasts of future revenues and expenses, forecasts of cost savings, and business plans) of the Target Company and its affiliates, Mizuho Securities has assumed that such information has been reasonably prepared or created by the management of the Target Company based on the best and most sincere forecasts and judgments available at this time, and has not independently verified the feasibility of such information. With respect to the assets and liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities) and allowances of the Target Company and its affiliates, Mizuho Securities has not conducted any independent evaluation, appraisal, or assessment, including analysis and valuation of individual assets and liabilities, nor has it requested any third-party institution to conduct such evaluation, appraisal, or assessment. Mizuho Securities' calculations reflect the information and economic conditions available to Mizuho Securities as of September 6, 2021. The sole purpose of the calculation by Mizuho Securities is to contribute to the reference for the Board of Directors of the Target Company to consider the Tender Offer Price.

(II) The special committee obtains a share valuation report and fairness opinion from an independent third-party appraiser

(i) Name of Valuation Organization and Relationship with the Target Company and the Related Parties of the Tender Offeror

In considering the Consulted Matters, in order to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, the Special Committee requested that Yamada Consulting, an independent financial advisor and third-party appraiser independent of the Target Company and the Tender Offeror, calculate the value of the Target Company Shares and conduct accompanying financial analysis, and express an opinion on the fairness of the Tender Offer Price from a financial perspective (fairness opinion), and obtained the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting) as of September 6, 2021.

As stated in "(III) Decision-making Process and Reasons Leading to Target Company Supporting Tender Offer" of "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy" under "1 Purpose of the Purchase" above, when the Board of Directors

received the Report from the Special Committee on September 6, 2021, it also received the Share Valuation Report (Yamada Consulting) and the Fairness Opinion (Yamada Consulting). Taking also into consideration the contents of those reports, the Board of Directors passed a resolution as described in "(VI) Approval of all disinterested directors and the opinion of all disinterested corporate auditors of the Target Company that they have no objection" in "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" under "1 Purpose of the Purchase" below.

Yamada Consulting does not fall under the category of a related party of the Target Company or Related Parties to the Tender Offeror, and does not have any material interest in the Transactions including the Tender Offer. As described in "(I) Establishment of an Independent Special Committee in the Target Company" in "(3) Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest," under "1 Purpose of the Purchase" below, the Special Committee decided to appoint Yamada Consulting as its independent financial advisor and third-party appraiser after considering the independence and expertise and performance of several candidates for financial advisor and third-party appraiser. Yamada Consulting's remuneration for this transaction is only the fixed remuneration to be paid regardless of the success or failure of the transaction, and does not include the success remuneration to be paid on the condition that the transaction, including the Tender Offer, is completed.

#### (ii) Outline of Computation of the Shares

In the Tender Offer, after considering the calculation method to be adopted for the calculation of the share value of the Target Company Shares from among multiple calculation methods, based on the determination that it is appropriate to evaluate the value of the Shares from multiple dimensions, and under the premise that the Target Company is a going concern, Yamada Consulting decided to use the market price method because the Target Company Shares are listed on the First Section of the Tokyo Stock Exchange and the Sapporo Securities Exchange, and the market price of the Target Company Shares exists. Yamada Consultants also used the comparable company method because there are several similar listed companies that can be compared with the Company and it is possible to infer the share value by comparing similar companies, as well as the DCF method to reflect the future business activities of the Company.

The share value per share of the Company's stock calculated based on the above methods in this share valuation report (Yamada Consulting) is as follows.

Market price method: 3,055 yen to 3,515 yen

Comparable company method: 1,969 yen to 2,402 yen

DCF method: 3,319 yen to 4,685 yen

Under the market price method, the range of per-share value of the Target Company Shares was calculated to be 3,055 yen to 3,515 yen based on the closing price of the Target Company Shares on the First Section of the TSE on the record date of September 6, 2021 (3,515 yen), the simple average of the closing price for the most recent one month (3,128 yen), the simple average of the closing price for the most recent three months (3,122 yen), and the



simple average of the closing price for the most recent six months (3,055 yen). Under the comparable company method, Nippon Road Co., Ltd., Toa Road Corporation, and Seikitokyu Kogyo Co., Ltd. were selected as listed companies engaged in businesses similar to those of the Target Company, and the range of per-share value of the Target Company Shares was calculated to be between 1,969 yen and 2,402 yen, based on comparisons with market share prices and financial indicators of profitability. The DCF method calculates the corporate value and share value of the Target Company by discounting the present value of the Target Company's free cash flow at a certain discount rate based on the free cash flow that the Target Company is expected to generate from the second quarter of the fiscal year ending March 2022 onwards, assuming various factors such as the earnings forecast and investment plan based on the Business Plan and publicly available information. The range of the per-share value of the Target Company Shares is calculated to be between 3,319 yen and 4,685 yen. The discount rate used was 5.40% to 6.40%. In calculating the going value, the perpetual growth rate method was used, and the per share value of the Target Company's stock was calculated using the growth rate of -0.50% to 0.50%.

The financial forecasts assumed by Yamada Consulting in its DCF analysis are as follows, and there are no fiscal years in which a significant increase or decrease in profit is expected. In addition, the synergy effects expected to be realized through the execution of the Transaction have not been factored into the following financial forecasts, as it is difficult to make specific estimates at this time. This financial forecast is based on the Business Plan, and Yamada Consulting has analyzed and reviewed its contents through multiple question-and-answer sessions with the Target Company, and as Described in "(I) Establishment of an Independent Special Committee in the Target Company" under "(3) Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" under "1 Purpose of the Purchase" below, the Special Committee has confirmed the reasonableness of the contents and the process of preparation of the Tender Offer.

(Unit: million yen) (Unit: million yen)

	Fiscal year ending March 31, 2022 (9 months)	Fiscal year ending March 31, 2023	Fiscal year ending March 31, 2024
Net sales	376,042	470,000	480,000
Operating income	37,848	43,500	45,000
EBITDA	45,495	54,589	55,924
Free cash flow	-49,730	27,356	19,100

(iii) Summary of this Fairness Opinion (Yamada Consulting)

As of September 6, 2021, the Special Committee received a Fairness Opinion from Yamada Consulting to the effect that the Tender Offer Price of 4,000 yen per share is fair from a financial point of view to the shareholders of the Target Company (excluding the Tender Offeror and ENEOS). The Tender Offer Price of 4,000 yen per share is

fair to the shareholders of the Target Company (excluding the Tender Offeror and ENEOS) from a financial point of view (Note 6). The Fairness Opinion expresses the opinion that the Tender Offer Price of 4,000 yen per share is fair to the shareholders of the Target Company from a financial point of view, in light of the results of the valuation of the Target Company Shares based on the Business Plan and other factors. In addition to the results of the calculation of the value of the Target Company Shares, which was conducted by Yamada Consulting based on the Target Company's disclosure of the current status of the Group's business, business prospects, and other information, as well as explanations of such information, the Fairness Opinion was issued after a question-and-answer session with the Special Committee, a review of the Group's business environment, economic, market, and financial conditions, and other matters to the extent deemed necessary by Yamada Consulting, as well as verification of the Fairness Opinion by a team independent of the engagement team at Yamada Consulting.

(Note 6): In preparing and submitting this Fairness Opinion and calculating the share value on which it is based, Yamada Consulting has relied on information that is already publicly available or that has been provided and obtained by the Target Company on the assumption that it is accurate and complete and that there are no facts undisclosed to Yamada Consulting that could have a material impact on the analysis and calculation of the share value of the Target Company Shares. .

Yamada Consulting has not conducted any independent evaluation or appraisal of the assets and liabilities of the Target Company (including off-balance-sheet assets and liabilities and other contingent liabilities), including analysis and valuation of individual assets and liabilities, nor has it evaluated the Target Company's creditworthiness under applicable laws and regulations regarding bankruptcy, suspension of payments or similar matters. In addition, we have not received any valuation or appraisal reports regarding these items.

The Business Plan and other materials used by Yamada Consulting as the basis for this Fairness Opinion are assumed to have been reasonably prepared by the Target Company's management based on their best estimates and judgment as of the date of preparation. Yamada Consulting does not guarantee the feasibility of these forecasts and does not express any view on the analyses or forecasts that formed the basis of these forecasts or the assumptions on which they were based.

The Fairness Opinion is based on the financial and capital markets, economic conditions and other circumstances as of the date of its preparation, and on information available to Yamada Consulting by the date of its preparation, and is an opinion as of the date of its preparation as to whether or not the Tender Offer Price is fair to the shareholders of the Target Company (excluding the Tender Offeror and ENEOS) from a financial point of view. The content of this Fairness Opinion may be affected by subsequent changes in circumstances, but Yamada Consulting is under no obligation to revise, change or supplement the content of this Fairness Opinion even in such cases. This Fairness Opinion does not infer or imply any opinion with respect to any matter other than as expressly set forth herein or with respect to any matter subsequent to the date of filing of this Fairness Opinion.

This Fairness Opinion only expresses the opinion that the Tender Offer Price is fair and not disadvantageous from a financial point of view to the shareholders of the Target Company (excluding the Tender Offeror and ENEOS). This Fairness Opinion does not express any opinion or make any recommendation as to whether or not the Tender Offer should be implemented, or as to whether or not to accept the Tender Offer or take any other action in relation to the Tender Offer, and does not express any opinion to the holders of the securities

issued by the Target Company, creditors or other related parties. The Tender Offeror does not express any opinion to the holders of securities issued by the Target Company, creditors or other related parties.

(Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest)

Considering that there may be structural conflicts of interest and information asymmetry between the Tender Offeror and minority shareholders in the Transaction, since the Target Company is a consolidated subsidiary of ENEOS, and since the Target Company is planned to be a consolidated subsidiary even after the Transaction, including the Tender Offer, and the Tender Offeror is planning to make the Target Company a wholly owned subsidiary through the Treasury Share Acquisition, the Tender Offeror as well as the Target Company have implemented the measures described in "(3) Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest" under "1 Purpose of the Purchase" above, in order to ensure fairness of the Transaction, including the Tender Offer, in terms of ensuring fairness of the Tender Offer Price, eliminating arbitrariness in the process of decision-making in deciding the implementation of the Tender Offer, and avoiding conflicts of interests. Among such descriptions, those implemented at the Target Company are based on the Target Company Press Release and the explanation received from the Target Company.

(iii) Relationship with Valuation Organization

As described in "(i) Basis of valuation" above, the Tender Offeror has not obtained any valuation report or written opinion regarding the fairness of the Tender Offer Price (i.e., a fairness opinion) from a third-party valuation organization in determining the Tender Offer Price, and therefore this section is not applicable.

(5) Number of share certificates to be purchased

Planned purchase quantity	Minimum planned purchase quantity	Maximum planned purchase quantity
51,195,111 shares	11,500,000 shares	— shares

(Note 1) The Tender Offeror will not purchase all of the Tendered Share Certificates if the total number of the Tendered Share Certificates is less than the minimum planned purchase quantity (11,500,000 shares). The Tender Offeror will purchase all of the Tendered Share Certificates if the total number of the Tendered Share Certificates is no less than the minimum planned purchase quantity.

(Note 2) There is no plan to acquire the treasury shares owned by the Target Company in the Tender Offer.

(Note 3) As the Tender Offeror has not set any maximum planned purchase quantity in the Tender Offer, the planned purchase quantity indicated is the maximum number of the Target Company Shares that the Tender Offeror may acquire through the Tender Offer, which is 51,195,111 shares. The maximum number (51,195,111 shares) is obtained by deducting the number of treasury shares owned by the Target Company as of June 30, 2021 (316,389 shares) as indicated in the Target Company's Quarterly Financial Summary and the number of the

Non-tendered Shares (67,890,336 shares) from the total number of issued the Target Company Shares as of June 30, 2021 (119,401,836 shares) as indicated in the Target Company's quarterly report.

(Note 4) Fractional shares (excluding fractional shares owned by the Target Company and ENEOS) and cross-held shares (the Target Company Shares owned by Daini Corporation and Sakata Quarrying; the same applies hereinafter) are also subject to the Tender Offer. Please note that, in the event the Target Company's shareholder exercises its right to demand a purchase of fractional shares in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period in accordance with the procedures set forth in applicable laws and regulations.

(6) Changes in ownership ratio of share certificates by and after purchase

Number of voting rights represented by share certificates owned by the Tender Offeror before purchase	—	(Ownership ratio of share certificates before purchase: — %)
Number of voting rights represented by share certificates owned by special related parties before purchase	TBD	(Ownership ratio of share certificates before purchase: TBD)
Number of voting rights represented by share certificates owned by the Tender Offeror after purchase	511,951	(Ownership ratio of share certificates after purchase: 42.99 %)
Number of voting rights represented by share certificates owned by special related parties after purchase	678,903	(Ownership ratio of share certificates after purchase: 57.01 %)
Total number of voting rights owned by all shareholders of the Target Company	1,190,307	

(Note 1) "Number of voting rights represented by share certificates owned by the Tender Offeror after purchase" is the number of voting rights represented by the planned purchase quantity in the Tender Offer (51,195,111 shares) described in "(5) Number of share certificates to be purchased" above.

(Note 2) "Number of voting rights represented by share certificates owned by special related parties before purchase" and the corresponding "Ownership ratio of share certificates before purchase" are not yet determined as of the date of this Press Release, but will be disclosed by the commencement of the Tender Offer after investigation. Since the share certificates owned by each special related party (excluding the Non-tendered Shares) are also subject to the Tender Offer, the "Number of voting rights represented by share certificates owned by special related parties after purchase" is indicated as 678,903, which is the number of voting rights represented by the Non-tendered Shares.

(Note 3) "Total number of voting rights owned by all shareholders of the Target Company" is the number of voting rights owned by all shareholders as of March 31, 2021 as indicated in the Target Company's quarterly report. Given that the fractional shares and cross-held shares are also subject to the purchase, however, for the purpose of calculating the "Ownership ratio of share certificates before purchase" and "Ownership ratio of

share certificates after purchase," the denominator is 1,190,854 (the number of voting rights represented by the number of shares (119,085,447 shares), which is obtained by deducting the number of treasury shares owned by the Target Company as of June 30, 2021 (316,389 shares) as indicated in the Target Company's Quarterly Financial Summary from the total number of the issued the Target Company Shares as of June 30, 2021 (119,401,836 shares) as indicated in the Target Company's quarterly report.

(Note 4) "Ownership ratio of share certificates before purchase" and "Ownership ratio of share certificates after purchase" are both rounded to two decimal places.

(7) Aggregate Tender Offer Price (Scheduled): 204,780,444,000 yen

(Note) The aggregate Tender Offer Price indicated above is calculated by multiplying the planned purchase quantity (51,195,111 shares) in the Tender Offer by the Tender Offer Price (4,000 yen per share). Due to reasons including any change in the number of shares occurring after the date of this Press Release, the aggregate Tender Offer Price may change if the actual number of planned purchase quantity in the Tender Offer changes.

(8) Other conditions and methods of purchase

(i) Conditions set forth in each item of Article 27-13(4) of the Act, and detail of such conditions

The Tender Offeror will not purchase all of the Tendered Share Certificates if the total number of the Tendered Share Certificates is less than the minimum planned purchase quantity (11,500,000 shares). The Tender Offeror will purchase all of the Tendered Share Certificates if the total number of the Tendered Share Certificates is no less than the minimum planned purchase quantity (11,500,000 shares).

(ii) Other

The method of settlement, the date of public notice of the commencement of the Tender Offer, and other conditions and methods for the purchase will be announced as soon as they are determined. The Tender Offeror plans to appoint Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as the tender offer agent and au Kabucom Securities Co., Ltd. as the sub-agent.

3. Post-Tender Offer Management Policy and Future Outlook

For the management policy after the Tender Offer, see "(2) Background, Reasons and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy", "(5) Post-Tender Offer Reorganization Policy (Matters Regarding a So-called Two-Step Acquisition)" and "(6) Likelihood of delisting and reason thereof" under "1. Purpose of the Purchase" above.

4. Other Information

(1) Agreements between the Tender Offeror and the Target Company or its officers, and the detail of such agreements

According to the Target Company Press Release, the Target Company resolved, at the Target Company's board of directors meeting held today, to express an opinion in support of the Tender Offer and to recommend that the Target

Company's shareholders tender their shares in the Tender Offer.

For more details on the decision-making process of the Target Company's board of directors, see the Target Company Press Release and "(VI) Approval of all directors disinterested in the Target Company and opinion of no objection of auditors disinterested in the Target Company" under "(3) Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest" under "1. Purpose of the Purchase" above.

(2) Other information deemed necessary for investors to judge whether or not to participate in the purchase

Release of "Announcement of revised dividend forecast (no distribution) for the fiscal year ending March 2022"

Regarding the forecast of annual dividends for the fiscal year ending March 2022, the Target Company has released the "Announcement of revised dividend forecast (no distribution) for the fiscal year ending March 2022" as of today. The Target Company decided to revise its dividend forecast as follows subject to the completion of the Tender Offer. For more details, see the description of the announcement.

	Annual dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	End of the fiscal year	Total
Previous forecast (announced on May 11, 2021)	Yen —	Yen —	Yen —	Yen 80.00	Yen 80.00
Revised forecast		—	—	0.00	0.00
Results for this fiscal year	—				
Results for last fiscal year (ended March 2021)	—	—	—	80.00	80.00

End

**[Restriction on Solicitation]**

This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase, any securities, and neither this Press Release (or a part of this Press Release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this Press Release may not be relied upon at the time of entering into any such agreement.

**[Future Prospects]**

This press release, including the descriptions regarding the future business of the Tender Offeror and other companies, may contain expressions for the future prospects such as "anticipate," "expect," "intend," "plan," "believe" and "assume." These expressions are based on the Tender Offeror's current expectations as to the businesses, and may change depending on the future circumstances. Regarding the information herein, the Tender Offeror undertakes no obligation to change the expressions for the future prospects into those for the actual events by reflecting the actual business performance, various circumstances and changes in conditions, etc.

This press release contains "forward-looking statements." The actual results may be significantly different from the projections implied or expressly stated as "forward-looking statements" due to known or unknown risks, uncertainties or other factors. None of the Tender Offeror or any of its affiliates assures that such express or implied projections set forth herein as "forward-looking statements" will eventually prove to be correct. "Forward-looking statements" contained herein were prepared based on the information available to the Tender Offeror as of the date of this Press Release and, unless required by laws and regulations, neither Tender Offeror nor its affiliates shall have the obligation to update or correct the statements made herein in order to reflect the future events or circumstances.

**[Restriction in the United States]**

The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(e) or Section 14(d) of the Securities Exchange Act of 1934 (as amended; "Securities Exchange Act") and the rules promulgated under such Section do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. All financial information in this Press Release are based on Japanese Generally Accepted Accounting Principles (J-GAAP), not based on the accounting standards of the United States, and therefore, contents of the information may not be equivalent to financial statements of companies in the United States. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Tender Offeror and the Target Company are incorporated outside the United States and their directors are non-U.S. residents. It might be impossible to commence a legal proceeding against a company outside the United States and its directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, there is no guarantee that a company outside the United States or its officers will be subject to the jurisdiction of a U.S. court.

The financial advisors of the Tender Offeror, ENEOS or the Target Company and their respective affiliates may, within their ordinary course of business, purchase, or conduct any act toward the purchase of, the shares of the Target Company for their own account or for their customers' accounts outside the Tender Offer prior to the commencement of the Tender Offer or during the Tender Offer Period in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act to the extent permissible under the Financial Instruments and Exchange Act and other applicable laws and regulations in Japan. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will be made in the United States in a similar manner (such as disclosure on the website of the person who made such purchase or other disclosing methods).

All the procedures in connection with the Tender Offer shall be taken in the Japanese language. While a part or all of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in case of any discrepancies between Japanese documents and corresponding English documents.

**[Other Countries]**

Some countries or regions may impose restrictions on the announcement, issue or distribution of this Press Release. In such cases, please take note of such restrictions and comply with them. The announcement, issue or distribution of this Press Release shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.