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For immediate release

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Director, President and Chief Executive  
Officer  
(Tokyo Stock Exchange Standard Market;  
Code: 4930)  
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**Announcement of Opinion in Support of the Planned Commencement of the Tender Offer by Church & Dwight Japan LLC for the Company’s Shares, Etc. and Recommendation to Tender Shares Etc.**

At the board of directors meeting held today, Graphico, Inc. (the “**Company**”) resolved to, in its opinion as of today, to support the tender offer (the “**Tender Offer**”) by Church & Dwight Japan LLC (the “**Offeror**”) for the common shares of the Company (the “**Company Shares**”) and the Share Acquisition Rights (as defined in “(2) Share Acquisition Rights” of “2. Purchase Price”) and also to recommend to the shareholders of the Company and the holders of the Share Acquisition Rights (“**Share Acquisition Rights Holders**”) that they tender their shares and share acquisition rights in the Tender Offer if the Tender Offer is commenced.

According to the Offeror, in connection with the Tender Offer, in order for the Offeror to enter into an agreement with Nomura Securities Co., Ltd., which plans to assume the position of the tender offer agent (the “**Tender Offer Agent**”) concerning the agency and administrative services in connection with the tender offer (which agreement is required to commence the Tender Offer), Church & Dwight Co., Inc. (“**C&D**”), which owns all of its equity in the Offeror, has been proceeding with the procedures to open a bank account of the Offeror (a godo kaisha (limited liability company under the laws of Japan) incorporated on March 13, 2024) as requested by the Tender Offer Agent. However, according to the explanation of the bank at which the Offeror plans to open its bank account, the bank account has not been opened as of today, as it took time to complete the procedures required for the know-your-customer procedures for the Offeror. While the Offeror and C&D cannot immediately commence the Tender Offer, the Offeror and C&D are aware that Company has already announced that it will publish a mid-term business plan as part of its efforts to meet the listing maintenance requirements of the Standard Market of Tokyo Stock Exchange, Inc. (the “**TSE**”) by the end of March 2024. In light of this situation, the Offeror and C&D have determined that the Company’s shareholders would be confused if the Company were to announce to its shareholders its efforts to maintain the listing when the Offeror, C&D and the Company already reached an agreement on the tender offer price in the Tender Offer, and within a short period of time thereafter, the Tender Offer were to be announced as part of a series of transactions aimed at delisting the Target Shares. The Offeror and C&D have therefore decided to announce today their plan to commence the Tender Offer as part of a series of transactions aimed at delisting the Company Shares. The Offeror and C&D plan to commence the Tender Offer promptly upon completion of the opening of the bank account. As of today, based on discussions with the relevant bank, the Offeror is aiming to commence the Tender Offer around late April 2024. However, since it is difficult to predict the exact timing of the opening of the bank account, the Offeror will announce the specific schedule of the Tender Offer as soon as it is determined. If the expected timing of the commencement of the Tender Offer is changed, the Offeror will promptly announce the change.

For the above reason, as described below in “(v) Approval of all disinterested directors of the Company (including Audit and Supervisory Committee members)” of “(6) Measures to Ensure the Fairness of the Transactions, Including the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Purchase Price and Measures to Avoid Conflicts of Interest”

of “3. Details of, and Grounds and Reasons for, the Opinion Regarding Tender Offer”, the Company has resolved that, at the time of the commencement of the Tender Offer, it will (i) ask the Special Committee (as defined in “(a) Background of the proposal from the Offeror and C&D and the establishment of the review system” of “(iii) Decision-making process and reasons leading to the Company’s support for the Tender Offer” of “(2) Grounds and Reasons for Opinion” of “3. Details of, and Grounds and Reasons for, the Opinion Regarding Tender Offer”; hereinafter the same) to consider whether or not there are any changes to the opinion it has expressed to the Company’s Board of Directors and to inform the Board of Directors of, the fact that there is no change, if there is no change; or its revised opinion, if there are any changes; and (ii) based on such opinion of the Special Committee, make another statement of opinion with respect to the Tender Offer upon the commencement of the Tender Offer.

The above resolution of the Company’s board of directors was made on the assumption that the Offeror intends to make the Company a wholly-owned subsidiary of the Offeror through the Tender Offer and the subsequent procedures, and to delist the Company Shares. At the aforementioned board of directors meeting, the Company also resolved to withdraw the announcement titled “Progress under Plan for Meeting Listing Maintenance Requirements and Change to Term of Plan” dated September 29, 2023, conditional upon the successful completion of the Tender Offer.

#### 1. Overview of the Offeror

(1) Name	Church & Dwight Japan LLC Japanese trade name: Church & Dwight Japan 合同会社
(2) Address	Tokyo Club Building 11F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo
(3) Name and title of representative	Church & Dwight Co., Inc., Representative Member Michael Read, Operating Officer
(4) Business details	1. Investment, holding and trading of stocks and securities 2. Ownership, management and leasing of real estate 3. Asset management business 4. Maintenance, preservation and administration of intellectual property rights in Japan and abroad 5. Management consulting 6. Market research and analysis 7. Any and all activities incidental or related to any of the above
(5) Stated capital	10,000 yen
(6) Date of incorporation	March 13, 2024
(7) Major equity holders and equity holding percentages	Church & Dwight Co., Inc. 100%
(8) Relationship between the Company and the Offeror	
Capital relationship	Not applicable
Personnel relationship	Not applicable
Transactional relationship	The Company purchases products from Church & Dwight Co., Inc., which is the parent company of the Offeror.
Status as affiliated parties	Not applicable

#### 2. Purchase Price

(1) JPY 3,800 per Company Share

(2) Share Acquisition Rights

(The share acquisition rights set out in (i) through (v) below are referred to collectively as the “**Share Acquisition Rights.**” The purchase prices, etc. per Share Acquisition Right in the Tender Offer are referred to collectively as the “**Share Acquisition Rights Purchase Price.**”)

- (i) JPY 62,840 per each of the 1st Series Share Acquisition Rights issued pursuant to the resolution at the extraordinary general meeting of shareholders of the Company held on June 17, 2014 (the “**1st Series Share Acquisition Rights**”) (exercise period: from July 1, 2016 to June 16, 2024)
- (ii) JPY 46,000 per each of the 2nd Series Share Acquisition Rights issued pursuant to the resolution at the extraordinary general meeting of shareholders of the Company held on December 25, 2014 (the “**2nd Series Share Acquisition Rights**”) (exercise period: from December 27, 2016 to December 25, 2024)
- (iii) JPY 46,000 per each of the 3rd Series Share Acquisition Rights issued pursuant to the resolution at the extraordinary general meeting of shareholders and the resolution at the board of directors meeting of the Company, both held on October 15, 2015 (the “**3rd Series Share Acquisition Rights**”) (exercise period: from October 16, 2017 to October 15, 2027)
- (iv) JPY 46,000 per each of the 4th Series Share Acquisition Rights issued pursuant to the resolution at the extraordinary general meeting of shareholders of the Company held on October 15, 2015 and the resolution at the board of directors meeting of the Company held on May 13, 2016 (the “**4th Series Share Acquisition Rights**”) (exercise period: from May 14, 2018 to May 13, 2028)
- (v) JPY 2,250 per each of the 5th Series Share Acquisition Rights issued pursuant to the resolution at the extraordinary general meeting of shareholders and the resolution of the board of directors meeting of the Company, both held on May 31, 2019 (the “**5th Series Share Acquisition Rights**”) (exercise period: from June 4, 2021 to June 3, 2031)

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

#### (1) Content of Opinion

The Company resolved at its board of directors meeting held today to, in its opinion as of today, to support the Tender Offer and to recommend that the shareholders of the Company and the Share Acquisition Rights Holders tender their shares and share acquisition rights in the Tender Offer if the Tender Offer is commenced, based on the grounds and reasons set out in “(2) Grounds and Reasons for Opinion” below.

As described above, according to the Offeror, based on discussions with the relevant bank, the Offeror is aiming to commence the Tender Offer around late April 2024; however, it is difficult to predict the exact timing of the opening of the bank account.

Against this background, the Company has resolved that, at the time of the commencement of the Tender Offer, it will (i) ask the Special Committee established by the Company to consider whether or not there are any changes to its opinion stated in the Report (as defined in “(c) Details of Company’s decision” of “(iii) Decision-making process and reasons leading to the Company’s support for the Tender Offer” of “(2) Grounds and Reasons for Opinion” of “3. Details of, and Grounds and Reasons for, the Opinion Regarding Tender Offer”) and to inform the Board of Directors of, the fact that there is no change, if there is no change; or its revised opinion, if there are any changes; and (ii) based on such opinion of the Special Committee, make another statement of opinion with respect to the Tender Offer upon the commencement of the Tender Offer.

#### (2) Grounds and Reasons for Opinion

Any statements in this “(2) Grounds and Reasons for Opinion” that concern the Offeror or C&D are based on explanations received from the Offeror and C&D.

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

The Offeror is a *godo kaisha* (limited liability company under the laws of Japan) incorporated on March 13, 2024 for the purpose of acquiring, etc. the Company Shares and the Share Acquisition Rights through the Tender Offer. As of today, C&D, which has its operations headquarters in Ewing, New Jersey, U.S.A., and is engaged in household consumer goods manufacturer and distributor business, owns all of its equity in the Offeror. As of today, the Offeror and C&D do not own any Company Shares listed on the Standard Market of the TSE.

On March 28, 2024, the Offeror decided to conduct the Tender Offer as part of a series of transactions (the

“**Transactions**”) aimed at delisting the Company Shares by acquiring all the Company Shares (including the Company Shares that will be issued upon exercise of the Share Acquisition Rights and excluding treasury shares owned by the Company) and Share Acquisition Rights.

For the implementation of the Tender Offer, on March 28, 2024, the Offeror has entered into a tender offer subscription agreement (the “**Tender Agreement**”) with Sumiyo Hasegawa (“**Ms. Hasegawa**”), the Representative Director, President and CEO, largest shareholder, and a major shareholder of the Company, pursuant to which Ms. Hasegawa will tender all the Company Shares (390,900 shares, ownership ratio (Note 1): 39.06%) she owns in the Tender Offer and not withdraw such tender in case the Tender Offer is commenced. Please refer to “4. Matters Concerning Material Agreements Relating to the Tender Offer” below for details of the Tender Agreement.

In connection with the Tender Offer, as the Offeror is a godo kaisha (limited liability company under the laws of Japan) incorporated on March 13, 2024, it took time to open the bank account requested by the Tender Offer Agent in order to enter into an agreement with the Tender Offer Agent concerning the agency and administrative services in connection with the tender offer (which agreement is required to commence the Tender Offer). According to the Offeror, the Offeror plans to commence the Tender Offer promptly upon completion of the opening of the bank account. As of today, based on discussions with the bank, the Offeror is aiming to commence the Tender Offer around late April 2024. However, since it is difficult to predict the exact timing of the opening of the bank account, the Offeror will announce the specific schedule of the Tender Offer as soon as it is determined. According to the Offeror, if the expected timing of the commencement of the Tender Offer is changed, the Offeror will promptly announce the change. According to the Offeror, the period of the Tender Offer (the “**Tender Offer Period**”) is scheduled to be 30 business days.

The Offeror has set the minimum number of Company Shares to be purchased in the Tender Offer at 667,200 shares (ownership ratio: 66.67%), and if the total number of share certificates, etc. tendered in the Tender Offer (collectively, the “**Tendered Shares, etc.**”) is less than the minimum number of Company Shares to be purchased, the Offeror will not purchase any of the Tendered Shares, etc. The purpose of the Offeror is to delist the Company through the Transactions, and if the Offeror is unable to acquire all of the Company Shares (including the Company Shares that will be issued upon exercise of the Share Acquisition Rights and excluding the treasury shares held by the Company) and the Share Acquisition Rights through the Tender Offer, then as stated in “(4) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below, after the successful completion of the Tender Offer, the Offeror intends to conduct a series of procedures in order to make the Offeror the only shareholder of the Company, and request that the Company Shares be delisted (the “**Squeeze-Out Procedures**”), and as the implementation of share consolidation through the Squeeze-Out Procedures require a special resolution of the shareholders’ meeting provided for in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the “**Companies Act**”), in order to ensure the implementation of the Squeeze-Out Procedures, the minimum number of Company Shares to be purchased is set so that the number of voting rights in the Company owned by the Offeror after the successful completion of the Tender Offer will be equivalent to or greater than two-thirds of the voting rights (10,007 voting rights) for the total number of voting rights of the Company (meaning the number of shares (1,000,778 shares; the “**Total Number of Shares after Accounting for Potential Shares**”) calculated by deducting the current number of treasury shares (122) owned by the Company as of December 31, 2023 as stated in the “Unconsolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 2024 (Japanese GAAP) published by the Company on February 14, 2024 from the total number of issued shares as of December 31, 2023 (938,540 shares) as stated in the “Quarterly Securities Report for the Second Quarter of the 28th Fiscal Year” filed by the Company on February 14, 2024, (938,418 shares), and adding the number of Company Shares to be issued upon the exercise of the Share Acquisition Rights (62,360 shares) as of December 31, 2023.

On the other hand, as the purpose of the Tender Offer is to purchase all the Company Shares (including the Company Shares that will be issued upon exercise of the Share Acquisition Rights and excluding treasury shares owned by the Company) and the Share Acquisition Rights, the Offeror has not set a maximum number of Company Shares to be purchased; therefore, if the total number of Tendered Shares, Etc. is equal to or greater than the minimum number of Company Shares to be purchased, the Offeror will purchase all of the Tendered Shares, Etc.

If the Tender Offer is successfully completed, the Offeror intends to cover the funds required for the Transactions, including the Tender Offer, by receiving a capital contribution (the “**Capital Contribution**”) from C&D, and by receiving the Capital Contribution three business days before the commencement date of the settlement of the Tender Offer at the latest, appropriate it to the settlement funds, etc. for the Tender Offer.

(Note 1) “Ownership ratio” means the ratio to the Total Number of Shares after Accounting for Potential Shares (1,000,778 shares) (rounded to two decimal places; the same applies hereinafter unless otherwise stipulated).

(ii) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer

C&D, the parent company of the Offeror, was founded in 1846 and incorporated in Delaware in 1925. As stated in its annual report for the business year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission on February 15, 2024, C&D has subsidiaries in the United States and six countries outside the United States (Canada, Mexico, United Kingdom, Germany, People’s Republic of China, and Australia), and additionally, C&D exports its products to 130 countries. Furthermore, C&D’s net sales for the same business year amounted to USD 5,867.9 million and we consider C&D to be a large multinational company. It develops, manufactures and markets a broad range of consumer household and personal care products and specialty products focused on animal and food production, chemicals and cleaners. Its consumer products marketing efforts are focused principally on its 14 “power brands.” These well-recognized brand names include ARM & HAMMER® baking soda, cat litter, laundry detergent, carpet deodorizer and other baking soda based products; TROJAN® condoms, lubricants and vibrators; OXICLEAN® stain removers, cleaning solutions, laundry detergents and bleach alternatives; SPINBRUSH® battery-operated toothbrushes; FIRST RESPONSE® home pregnancy and ovulation test kits; NAIR® depilatories; ORAJEL® oral analgesic; XTRA® laundry detergent; L’IL CRITTERS® and VITAFUSION® gummy dietary supplements for children and adults, respectively; BATISTE® dry shampoo; WATERPIK® water flossers and showerheads; ZICAM® cold shortening and relief products; THERABREATH® oral care products; and HERO® acne treatment products.

C&D operates in three principal segments: Consumer Domestic, Consumer International, and our Specialty Products Division (“**SPD**”).

Consumer Domestic

C&D’s founders first marketed sodium bicarbonate, otherwise known as baking soda, in 1846 for use in home baking. Today, this product has a wide variety of uses in the home, including as a refrigerator and freezer deodorizer, scratch-free cleaner and deodorizer for kitchen surfaces and cooking appliances, bath additive, dentifrice, cat litter deodorizer and swimming pool pH stabilizer. C&D specialize in baking soda-based products, as well as other products which use the same raw materials or technology or which are sold across multiple consumer and professional use categories. The Consumer Domestic segment includes each of the 14 power brands, as well as other well-known brands and household and personal care products. The Consumer Domestic segment is divided into household and personal care product groups.

Consumer International

The Consumer International segment markets a variety of personal care, household and over-the-counter products in international subsidiary markets, including Australia, Canada, France, Germany, Mexico and the United Kingdom. The Company also exports to over 130 markets around the world, including China and Japan, through its global markets group using a broad network of third-party distributors.

Specialty Products Division

The SPD segment focuses on sales to businesses and participates in three product areas: Animal and Food Production, Specialty Chemicals and Specialty Cleaners.

The Company was established in 1994 as a planning company that engages in creative production, including product planning, sales promotion, and marketing of cosmetics and health foods, and was incorporated in November 1996 as Studio Graphico Ltd. After gaining experience and a track record in tailoring products from countries such as the U.S. and Korea for the Japanese market, including for major Japanese manufacturers, the Company started its own manufacturing business, when it started developing and selling its own original products in 2004. In November 2013, the Company changed its name to Graphico, Inc., and it was listed on the JASDAQ Standard Market of the TSE in September 2020. Following the TSE's market classification revision, it is currently listed on the Standard Market of the TSE.

The details of the Company's business are as follows.

With its business vision to "Connect smiles through craftsmanship," the Company is a manufacturer that creates products to support hard-working people amidst transforming work styles and lifestyles, and to help women and their families who wish to be healthy and beautiful in mind and body to enjoy happy lives with smiles on their faces. The Company is engaged in the processes ranging from product planning and development, marketing, promotion and sales, while adopting an agile fables business format (it does not own its own manufacturing facilities and outsources manufacturing), where it selects the best production method and factory for each product. The Company focuses on health foods, cosmetics, and everyday goods, and by drawing out the latent needs of women and getting novel products established in the market, it has developed multiple million-seller products (over 1 million units sold). The Company has empathy with, and proposes solutions to, consumers' problems through intuitive packaging, naming, and PR activities. Not only does it market and sell its own original products, but it also acquires exclusive distribution rights from overseas manufacturers that include the right to sell Japan-original products, and then markets and sells within Japan as an authorized importer and distributor.

The Company's main sales channels are drugstores, GMSs (Note 2), home improvement retailers, and variety stores, and it also conducts its own mail-order sales. Overseas, the Company sells its products through local distributors.

(Note 2) "GMS" is an abbreviation for general merchandise store and it refers to a large-scale supermarket.

Features of the Company's business are as follows.

Flow from commercialization to sale

The Company is a fables enterprise that outsources manufacturing and distribution, and concentrates its management resources on product planning, development, marketing, promotion, and sales. The Company plans and develops products that "consumers need," "provide a concrete user experience" and "generate positive emotions," always thinking from the user's standpoint, searching for seeds (product ideas based on raw materials, technology, etc., and needs of which consumers themselves are unaware), identifying needs, and creating multiple unique hit products through a five-action process of: (i) research, (ii) planning, (iii) development, (iv) promotion, and (v) sales.

(i) Research

In the research phase, in order to grow the brand, the Company considers items that have potential as new products and conducts research and analysis of the target market size and customers, anticipated competitors (products), the feel of a product when used, ingredients, and so on. As much as possible, in regard to trademark rights, etc. related to candidates for product names, the Company also investigates in advance the possibility of any infringement of third parties' intellectual property rights.

(ii) Planning

The Company has been engaged in product planning, package planning, concept design, marketing research, etc., utilizing the know-how it has cultivated as a creative firm since its establishment, with the aim of seeking out the

latent needs of women, who are the Company's main target, and planning products that the market needs and that are experienced as effective. The planning department is essentially comprised of women in their 30s to 50s, and this structure enables the Company to identify the needs of its target customers. In the planning stage, the Company advances to commercialization with an awareness of "identifying target groups", "analyzing the market", "planning products with high market needs", and "creating products that are experienced as highly effective."

(iii) Development

As a fables manufacturer (a manufacturer that does not own its own manufacturing facilities but outsources manufacturing to third parties), the Company procures the best raw materials, selects contract manufacturers, and manages manufacturing, and thereby lowers manufacturing costs and enhances agility to be able to respond to changes in market needs. The Company has thereby established a system that allows it to flexibly develop unique concept products by taking advantage of its strengths, which are its creative skills in designs and expressions that are greatly appealing to customers and that capture their needs. In addition to the products it develops, the Company leverages its marketing capabilities to import and sell products from overseas under exclusive distribution rights from C&D for OXICLEAN brand products in Japan, and it also jointly develops products for the Japanese market through discussions with manufacturers.

(iv) Promotion

The Company develops sales promotion plans and advertising strategies, and creates effective sales promotion tools (proposal materials for use in sales) to effect these strategies. The Company uses the various in-store sales promotion materials and print media that it produces, and conducts advertising and publicity activities through magazines, websites, and other media while considering cost-effectiveness, in an effort to improve brand recognition.

(v) Sales

Based on an analysis of the market, competition, the user experience of a product, etc., the Company proposes a more effective sales strategy and, while using promotional materials that appeal to consumers, proceeds with creating sales sites in selling outlets and proposing sales of PB (private brand) products, etc. The Company's main customers are domestic wholesalers, and it sells through wholesalers to domestic drug stores, GMSs, home-improvement retailers, and variety stores, etc. In its overseas business too, the Company sells its products through domestic and overseas distributors in China, South Korea, the United States, Hong Kong, Taiwan, and Thailand, etc. The Company also conducts online sales through its own website and other companies' platforms.

C&D entered into an exclusive distribution agreement with the Company in July 2008 (the "**Exclusive Distribution Agreement**") to distribute OXICLEAN brand products in Japan, leveraging its customer relationships and distribution expertise to meet the needs of the Japanese consumer.

Due to the success of OXICLEAN and improved understanding of Japanese consumer needs, C&D believes the Japanese consumer would enjoy the benefit of an expanded option of products and increased convenience from the Company becoming able to sell the C&D's products other than OXICLEAN in Japan. Given the distribution partnership with the Company, C&D lacks a local sales & marketing team capable of launching additional brands into the Japanese market. As a result, C&D believes delisting the Company and making it a C&D group company will provide C&D the distribution capabilities and customer relationships required to offer broader access to its existing brand portfolio. In order to improve the Company's value, C&D intends to provide significant resources and know-how to the Company in an expeditious manner, which requires C&D's sole ownership in the Company where the interests of C&D and the Company are fully aligned. Therefore, we believe that it is necessary to acquire all of the Company Shares and the Share Acquisition Rights and it is not an option to make the Company a subsidiary of C&D while continuing to stay listed on the stock exchange and without taking the Company private.

C&D believes the Transactions will bring the following benefits.

(i) Expansion of C&D's Product Portfolio in Japan

Japan is the fourth largest economy in the world in terms of GDP and is an attractive end market for C&D's brand portfolio. The Company has built the OXICLEAN brand into the market leader in the stain removal category highlighting its sales, marketing & distribution expertise in the Japanese market. According to a web questionnaire

conducted by the Company through a third party vendor in July 2023, the recognition rate of OXICLEAN brand was 77%. C&D believes that expanding the brand portfolio offered to the Japanese consumer through leveraging the Company's capabilities will provide accessibility to market leading, consumer loved brands while accelerating the Company's sales growth trajectory through targeting large, new categories.

(ii) Additional Resources & Capabilities to Accelerate Company's Growth

C&D, as a large multi-national company as described above, has resources and capabilities in sales, marketing, supply chain & IT. C&D plans to utilize its existing capabilities to accelerate the Company's growth and profitability through investing in and improving the Company's people, processes, and technology.

(iii) Reduction of resources to maintain listing

The Company is listed on the Standard Market of the TSE, and maintaining the listing requires the development and maintenance of a structure required of a listed company (such as a certain number of independent outside directors, etc.) and constitutes an administrative burden (continuous disclosure obligation for securities reports, etc., dealing with Financial Instruments and Exchange Act audits, shareholder general meetings, IR activities, etc.), and the burden is considered to be increasing yearly. The Company has 50 employees (as of end-June 2023), and a recurring profit of 322 million yen, meaning that saving human resources and financial resources it spends on its structure and administrative burden and using these for sales, planning and product development, etc., would allow it to operate its business to better meet the needs of consumers. The Company's management also expends resources and costs on the administrative burden, and delisting would improve the efficiency of the business, permitting resources to be allocated to more creative work, potentially accelerating the corporate value of the Company.

As a result of these types of considerations, C&D reached the conclusion that delisting the Company and making it a C&D group company through the Transactions would improve the value of the C&D Group as well as improving the value of the Company.

C&D submitted a non-binding letter of interest to the Company on July 19, 2023 (the "**First Non-Binding Letter of Interest**") stating that it would like to commence examination of the delisting of the Company. Subsequently, as a result of multiple initial conversations and information exchange with the Company on the delisting of the Company, C&D decided to commence serious deliberation of the delisting of the Company centering on due diligence, and submitted a second non-binding letter of interest to the Company on November 16, 2023 (the "**Second Non-Binding Letter of Interest**"), stating that it would delist the Company through a tender offer and subsequent squeeze-out procedure, and requesting to perform due diligence. The Company replied in late November that it would accept due diligence from the start of December 2023, and C&D conducted due diligence from early December 2023 to late January 2024. In light of the progress of due diligence, C&D commenced discussions with the Company over the terms of the Transactions in late February 2024. Specifically, C&D proposed a purchase price per Company Share (the "**Tender Offer Purchase Price**") of 3,250 yen, purchase price per 1st Series Share Acquisition Right (the "**1st Series Share Acquisition Rights Purchase Price**") of 51,840 yen, a purchase price per 2nd Series Share Acquisition Right (the "**2nd Series Share Acquisition Rights Purchase Price**") of 35,000 yen, a purchase price per 3rd Series Share Acquisition Right (the "**3rd Series Share Acquisition Rights Purchase Price**") of 35,000 yen, a purchase price per 4th Series Share Acquisition Right (the "**4th Series Share Acquisition Rights Purchase Price**") of 35,000 yen, and a purchase price per 5th Series Share Acquisition Right (the "**5th Series Share Acquisition Rights Purchase Price**"; the Share Acquisition Rights Purchase Price and the Tender Offer Purchase Price, collectively, the "**Tender Offer Purchase Price, etc.**") of 1,700 yen to the Company on February 26, 2024 (such proposals, collectively, the "**First Proposal**"). There was no proposal of the terms of the Tender Offer such as the Tender Offer Purchase Price, etc. prior to this proposal. The proposed Tender Offer Purchase Price of 3,250 yen represented a 25.00% (rounded to two decimal places; the same applies hereinafter to the calculation of premiums unless otherwise stipulated) premium over the closing price of the Company Shares of 2,600 yen of the Company on the Standard



Market on the TSE on the business day immediately preceding the submission date of the proposal (February 22, 2024), and a 31.37% premium over the simple average of the closing price of 2,474 yen (rounded to the nearest whole number; the same applies hereinafter in the calculation of the simple average of closing prices) for the one-month period prior to the same date. Subsequently, the Company stated the proposed Tender Offer Purchase Price of 3,250 yen was significantly below the lower end of the intrinsic value of the Company based on its business plan, and requested that C&D increase the Tender Offer Purchase Price. In response to the request from the Company, C&D proposed to the Company on February 29, 2024 a Tender Offer Purchase Price of 3,315 yen, 1st Series Share Acquisition Rights Purchase Price of 53,140 yen, 2nd Series Share Acquisition Rights Purchase Price of 36,300 yen, 3rd Series Share Acquisition Rights Purchase Price of 36,300 yen, 4th Series Share Acquisition Rights Purchase Price of 36,300 yen, and 5th Share Acquisition Rights Purchase Price of 1,765 yen (such proposals, collectively, the “**Second Proposal**”). The proposed Tender Offer Purchase Price of 3,315 yen in the Second Proposal represented a 27.50% premium over the closing price of the Company Shares of 2,600 yen on the Standard Market on the TSE on the business day immediately preceding the submission date of the First Proposal (February 22, 2024), and a 33.99% premium over the simple average of the closing price of 2,474 yen for the one-month period prior to the same date. Subsequently, the Company requested to increase the Tender Offer Purchase Price because the proposed Tender Offer Purchase Price of 3,315 yen deviates significantly from the lower end of the intrinsic value of the Company based on its business plan, and also because the Tender Offer Purchase Price does not take into account the initial public offering price at the time the Company became listed on the JASDAQ market of the TSE on September 28, 2020. In response to this request, on March 11, 2024, C&D responded to the Company stating that, although it has taken into account the initial public offering price at the time of listing, C&D has considered and proposed the Tender Offer Purchase Price based on the level of the Company’s share price in the most recent stock market because it is a highly objective indicator formed with the participation of many investors and comprehensively reflects the information of the Company such as the future potential and profitability of the Company.

Subsequently, on March 13, 2024, the Company requested that the Tender Offer Purchase Price be at 4,000 yen, taking into consideration the results of the third-party appraiser’s valuation of the equity value of the Company Shares, the market share price trend of the Company’s common stock, and precedents of premiums granted in similar transactions in the past. In response, on March 20, 2024, C&D proposed to the Company that the Tender Offer Purchase Price be at 3,606 yen (the “**Third Proposal**”) after sincerely considering the above request from the Company. The proposed Tender Offer Purchase Price of 3,606 yen in the Third Proposal represented a 50.0% premium over the simple average closing price of 2,404 yen of the Company Shares on the Standard Market on the TSE for the past six months as of March 19, 2024 (according to C&D, in calculating the simple average closing price, for the closing price on October 25, 2023, the date on which the Company Shares were not traded, C&D used the closing price on October 24, 2023, which is the preceding business day), the business day immediately preceding the submission date (March 20, 2024) of the Third Proposal. Subsequently, on March 22, 2024, the Company requested that the Tender Offer Purchase Price be increased to bring it closer to a level that would fully meet the expectations of minority shareholders, as the Tender Offer Purchase Price still did not meet the expectations of minority shareholders. In response to such request from the Company, on March 25, 2024, C&D proposed to the Company a final Tender Offer Purchase Price of 3,800 yen, 1st Series Share Acquisition Rights Purchase Price of 62,840 yen, 2nd Series Share Acquisition Rights Purchase Price of 46,000 yen, 3rd Series Share Acquisition Rights Purchase Price of 46,000 yen, 4th Series Share Acquisition Rights Purchase Price of 46,000 yen and 5th Series Share Acquisition Rights Purchase Price of 2,250 yen to the Company. The proposed Tender Offer Purchase Price of 3,800 yen in the final proposal represented a 56.96% (rounded to the second decimal place) premium over the simple average closing price of 2,421 yen of the Company Shares on the Standard Market on the TSE for the past six months as of March 22, 2024 (according to C&D, in calculating the simple average closing price, for the closing price on October 25, 2023, the date on which the Company Shares were not traded, C&D used the closing price on October 24, 2023, which is the preceding business day), the business day immediately preceding the submission date (March 25, 2024) of the final proposal, and it represented a 44.16% (rounded to the second decimal place) premium over the simple average closing price of 2,636 yen of the Company Shares for the past three months..

Subsequently, on receiving a reply from the Company on March 26, 2024 accepting the final proposal, on March 25, 2024, C&D agreed to finalize the Tender Offer Purchase Price at 3,800 yen, 1st Series Share Acquisition Rights Purchase Price at 62,840 yen, 2nd Series Share Acquisition Rights Purchase Price at 46,000 yen, 3rd Series Share Acquisition Rights Purchase Price at 46,000 yen, 4th Series Share Acquisition Rights Purchase Price at 46,000 yen, and 5th Share Acquisition Rights Purchase Price at 2,250 yen.

According to the Offeror, in connection with the Tender Offer, in order for the Offeror to enter into an agreement with the Tender Offer Agent concerning the agency and administrative services in connection with the tender offer (which agreement is required to commence the Tender Offer), C&D has been proceeding with the procedures to open a bank account of the Offeror (a *godo kaisha* (limited liability company under the laws of Japan) incorporated on March 13, 2024) as requested by the Tender Offer Agent. However, according to the explanation of the bank at which the Offeror plans to open its bank account, the bank account has not been opened as of today, as it took time to complete the procedures required for the know-your-customer procedures for the Offeror. While the Offeror and C&D cannot immediately commence the Tender Offer, the Offeror and C&D are aware that Company has already announced that it will publish a mid-term business plan as part of its efforts to meet the listing maintenance requirements of the Standard Market of the TSE by the end of March 2024. In light of this situation, the Offeror and C&D have determined that the Company's shareholders would be confused if the Company were to announce to its shareholders its efforts to maintain the listing when the Offeror, C&D and the Company already reached an agreement on the tender offer price in the Tender Offer, and within a short period of time thereafter, the Tender Offer were to be announced as part of a series of transactions aimed at delisting the Target Shares. The Offeror and C&D have therefore decided to announce today their plan to commence the Tender Offer as part of a series of transactions aimed at delisting the Company Shares. The Offeror and C&D plan to commence the Tender Offer promptly upon completion of the opening of the bank account. As of today, based on discussions with the relevant bank, the Offeror is aiming to commence the Tender Offer around late April 2024. However, since it is difficult to predict the exact timing of the opening of the bank account, the Offeror will announce the specific schedule of the Tender Offer as soon as it is determined. If the expected timing of the commencement of the Tender Offer is changed, the Offeror will promptly announce the change.

Since the beginning of the discussions with the Company regarding the Transaction, C&D has consistently made it clear to the Company that the Transaction and the Exclusive Distribution Agreement are separate, and has not discussed with the Company the renewal or the terms of the Exclusive Distribution Agreement concurrently with the discussions regarding the Transaction.

In the First Non-binding Letter of Interest, C&D, assuming that Ms. Hasegawa will resign from the Company's board of directors after the completion of the Tender Offer, proposed that Ms. Hasegawa, who is the Representative Director, President and CEO of the Company, continue to be involved in the management of the Company as an advisor for three years after the completion of the Tender Offer in order to contribute to the enhancement of the Company's corporate value. During the subsequent negotiation of the Tender Agreement with Mr. Hasegawa, Ms. Hasegawa accepted C&D's proposal that Ms. Hasegawa will resign from the Company's board of directors after the completion of the Tender Offer, and that Ms. Hasegawa will become an advisor of the Company and remain in such position for three years after the resignation. C&D and Ms. Hasegawa will discuss the specific terms and conditions with respect to the service by Ms. Hasegawa as an advisor. C&D expects that as Ms. Hasegawa's involvement in the management of the Company as an advisor will be limited as compared to her current involvement as the Representative Director and President of the Company, her remuneration as an advisor will accordingly be lower than her current remuneration as the Representative Director and President.

(iii) Decision-making process and reasons leading to the Company's support for the Tender Offer

(a) Background of the proposal from the Offeror and C&D and the establishment of the review system

On March 10, 2023, Ms. Hasegawa as the CEO of the Company received an initial approach from the CEO of C&D regarding the Transactions. In order to receive legal advice, including advice on the measures that should be taken to ensure fairness in the procedures for the Transactions, the various procedures for the Transactions, the

methods and processes of decision-making by the Company for the Transactions, in late June 2023, the Company's board of directors resolved to appoint as legal advisor independent of the Offeror, C&D, Ms. Hasegawa, and the Company, Anderson Mori & Tomotsune (“**Anderson Mori & Tomotsune**”), having considered its expertise and experience, as well as the fact that the Offeror is a foreign company and an important business partner of the Company. Although the Company is not a consolidated subsidiary of the Offeror and the Tender Offer does not constitute an acquisition of a dependent company by a controlling shareholder, since the Company's sales of OXICLEAN brand products, which are sold under the Exclusive Distribution Agreement with C&D, accounts for over 80% of the Company's total sales for the year ended June 2023 and thus the agreement with the Offeror has a significant impact on the continuation of the Company's business, and since the Representative Director and President of the Company is the largest shareholder of the Company and may ultimately enter into a tender agreement with the Offeror, and the interests of the Representative Director and President of the Company and the minority shareholders of the Company may not necessarily align, in order to ensure careful decision-making regarding the Transactions, and from the perspective of eliminating the possibility of arbitrariness and conflicts of interest in the decision-making process of the Company's board of directors and thereby ensuring the fairness of such decision-making process, on the advice of Anderson Mori & Tomotsune, which is independent of the Offeror, C&D, Ms. Hasegawa, and the Company, on June 22, 2023, the Company established a four-member special committee (the “**Special Committee**”) comprising Takashi Nakaota (Independent Outside Director of the Company (Audit and Supervisory Committee member) and Attorney at Law), Ryosuke Ikeda (Independent Outside Director of the Company), Kengo Maekawa (Independent Outside Director of the Company (Audit and Supervisory Committee member) and Certified Public Accountant) and Junji Kawabuchi (Independent Outside Director of the Company (Audit and Supervisory Committee member) and Certified Public Accountant). (For details of the background of the establishment, etc. of the Special Committee, the background of its considerations, and its determinations, please see “(i) Establishment of an independent special committee and acquisition of the report from the special committee by the Company” in “(6) Measures to Ensure the Fairness of the Transactions, Including the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Purchase Price and Measures to Avoid Conflicts of Interest” below.

Subsequently, on July 19, 2023, the Company received the First Non-Binding Letter of Interest from the Offeror, and after careful consideration of the proposal, the Company decided to commence due diligence and other specific deliberations and discussions for the Transactions, and sought the opinion of the Special Committee regarding: (a) whether the purpose of the Transactions is reasonable (including whether the Transactions will contribute to the enhancement of the Company's corporate value); (b) whether the appropriateness of the terms and conditions of the Transactions is ensured (including the appropriateness of the method of implementation of the Transactions and the type of consideration); (c) whether the fairness of the procedures in connection with the Transactions is ensured (including what measures should be taken to ensure the fairness); and (d) whether, based on (a) through (c) above, the determination by the board of directors to implement the Transactions is not detrimental to the minority shareholders of the Company (including the content of the opinion expressed with respect to such tender offer if a tender offer is to be implemented in the Transactions) (collectively, the “**Matters Consulted**”). In consulting the Special Committee, the Company's board of directors has resolved, amongst other matters, (a) that the decision-making of the Company's board of directors regarding the Transactions shall be made with utmost respect for the Special Committee's judgment, and in particular, if the Special Committee determines that the terms and conditions of the Transactions are not appropriate, the board of directors of the Company shall not support the Transactions under such terms and conditions; (b) to grant to the Special Committee the power to conduct an inquiry in relation to the Transactions (including asking questions and requesting explanations from the Company's officers or employees or its advisors involved in the Transactions on matters necessary for the consideration of the Matters Consulted); (c) to grant to the Special Committee the power to (i) request the Company to communicate the Special Committee's proposals and other opinions or questions to the potential acquirer, and (ii) request to set up an opportunity for the Special Committee to consult directly with the potential acquirer (including its officers and employees and advisors involved in the Transactions) (upon receipt of such request from the Special Committee, the Company shall make its best efforts to respond to the request of the Special Committee); (d) to grant to the Special Committee the power not

to approve the advisors appointed by the Company if the Special Committee finds that there is a problem with the independence of the advisors appointed by the Company (in such cases, the Company must respect the determination of the Special Committee to the maximum extent possible); and (e) to authorize the Special Committee to appoint its own advisors at the Company's expense.

In late July 2023, the Company appointed SBI Securities Co., Ltd. ("**SBI Securities**") as a financial advisor and third-party appraiser that is independent of the Offeror, C&D, Ms. Hasegawa, and the Company, on the ground that SBI Securities as the lead underwriter of the Company since its initial public offering, has deep understanding of the Company's business.

While SBI Securities is listed as a major shareholder in the annual securities report for the 27th fiscal year filed by the Company on September 29, 2023, the Company has been explained by SBI Securities that this listing is due to the total volume of transactions by customers of SBI Securities purchasing on margin, and does not mean SBI Securities has any conflict of interest as a major shareholder. Furthermore, the Company has been explained by SBI Securities that while any of SBI Securities, the SBI Group companies to which SBI Securities belong or the affiliates of the foregoing may, for its own account or account of its customers, underwrite, hold or sell any financial products (including shares, debt or other securities) issued by the Company, the Offeror or any of their affiliates or hold positions in such financial products, or enter into derivatives transactions in relation to, or manage funds which invest its money in, the Company, the Offeror or any of their affiliates or financial products issued by the foregoing, these transactions will be conducted with appropriate information barriers and no purchases are conducted in relation to the Transactions. Based on these explanations, the Company determined that SBI Securities does not have any issue in its independence in relation to the Transactions. The Company has established an internal system to deliberate, negotiate, and make decisions on the Tender Offer (including the scope and duties of officers and employees of the Company involved in the deliberation, negotiation, and determination on the Tender Offer) from a standpoint that is independent of the Offeror, C&D, and Ms. Hasegawa. In addition, the Company has received approval from the Special Committee that there are no problems with such review system from the viewpoint of independence and fairness. Furthermore, the Company has confirmed through the Special Committee that there are no problems with the independence or expertise of SBI Securities as the Company's financial advisor and third-party appraiser, and Anderson Mori & Tomotsune as the Company's legal advisor, and obtained the Special Committee's approval for their appointment. Given that persons qualified as attorneys-at-law and certified public accountants are already members of the Special Committee, the Special Committee decided to receive advice from SBI Securities as the Company's financial advisor and third-party appraiser, and from Anderson Mori & Tomotsune as the Company's legal advisor on an as-needed basis, and has not appointed its own advisors.

(ii) Background of considerations and negotiations

The Company has received advice on the negotiation policy with the Offeror and C&D, as well as legal advice from Anderson Mori & Tomotsune on measures to ensure the fairness of the procedures in the Transactions, etc. Based on this advice, the Company has carefully considered the merits of the Transactions and the appropriateness of the terms of the Transactions, including the Tender Offer Purchase Price, etc.

Since its incorporation in 1996, with its business vision to "Connect smiles through craftsmanship," the Company has been selling products primarily for women who are the Company's main target. On September 24, 2020, the Company listed on the JASDAQ Standard Market of the TSE, considering that enhancement of social credibility and recognition, strengthening of the management foundation and diversification of financing methods are important to achieve further business growth. While some brands have not grown as planned due to self-quarantine or decrease in inbound demands during the COVID-19 pandemic, the "OXICLEAN" brand has been achieving significant growth due to increase in demands by reason of heightened awareness of hygiene during the COVID 19 pandemic as well as a variety of sales measures taken by the Company to enhance the brand growth.

The drastic weakening of yen, which started in 2022, had significant impact on the Company, which sells imported products. To deal with such situation, the Company reorganized its management structure in 2022, while withdrawing from certain unprofitable business and reforming its profit structure. Due to these measures, the Company has

improved its profit structure and reached the state where sales growth will translate into profit growth. In the meantime, however, the stock price of the Company has been moving around 2,000 yen, which represents a significant drop from the offering price of 4,090 yen in the Company's listing. Under the foregoing situation, on March 10, 2023, Ms. Hasegawa, the CEO of the Company, received an initial approach from the CEO of C&D regarding the Transactions. In order to consider the details of the concrete offer, the Company requested that C&D submit a letter of interest, and on July 19, 2023, the Company received from C&D its First Non-Binding Letter of Interest, which included due diligence and other proposals regarding the Transactions. Subsequently, on August 16, 2023, the Company sent a written response to C&D regarding the First Non-Binding Letter of Interest, and after receiving a written response from C&D to that written response on August 25, 2023, C&D sent a written response to the letter on August 31, 2023, and in an interview with C&D on September 7, 2023, confirmed the intent of the letter. The Company then communicated to C&D its acceptance of the proposal for serious consideration of the Transactions, including due diligence.

The Company received the Second Non-Binding Letter of Interest from C&D on November 16, 2023, and after confirming its content, the Company replied to C&D on November 24, 2023 that it accepted the due diligence. Due diligence was then conducted on the Company from early December 2023 to late January 2024.

In addition, based on the negotiation policy confirmed in advance by the Special Committee and its opinions, instructions, and requests, etc. on important aspects of the negotiations, the Company, while receiving advice from SBI Securities and Anderson Mori & Tomotsune, held multiple rounds of discussions and negotiations with C&D regarding the merits of the Transactions and the appropriateness of the transaction terms.

Specifically, the Company received the First Proposal from C&D on February 26, 2024. No proposal of the terms of the Tender Offer such as the Tender Offer Purchase Price, etc. was received prior to this proposal. The proposed Tender Offer Purchase Price of 3,250 yen that was received represented a 25.00% premium over the closing price of the Company Shares of 2,600 yen on the Standard Market on the TSE on the business day immediately preceding the submission date of the First Proposal (February 22, 2024), and a 31.37% premium over the simple average of the closing price of 2,474 yen for the one-month period prior to the same date. Subsequently the Company stated the proposed Tender Offer Purchase Price of 3,250 yen was significantly below the lower end of the intrinsic value of the Company based on its business plan, and requested C&D to increase the Tender Offer Purchase Price.

In response to the request from the Company, C&D made the Second Proposal to the Company on February 29, 2024. The Tender Offer Purchase Price of 3,315 yen in the Second Proposal that C&D proposed represented a 27.50% premium over the closing price of the Company Shares of 2,600 yen on the Standard Market on the TSE on the business day immediately preceding the submission date of the First Proposal (February 22, 2024), and a 33.99% premium over the simple average of the closing price of 2,474 yen for the one-month period prior to the same date.

Subsequently, the Company

requested to increase the Tender Offer Purchase Price because the proposed Tender Offer Purchase Price of 3,315 yen deviates significantly from the lower end of the intrinsic value of the Company based on its business plan, and also because the Tender Offer Purchase Price does not take into account the initial public offering price at the time the Company got listed on the JASDAQ market of the TSE on September 28, 2020. In response to this request, on March 11, 2024, C&D responded to the Company stating that, although it has taken into account the initial public offering price at the time of listing, C&D has considered and proposed the Tender Offer Purchase Price based on the level of the Company's share price in the most recent stock market because it is a highly objective indicator formed with the participation of many investors and comprehensively reflects the information of the Company such as the future potential and profitability of the Company.

Subsequently, on March 13, 2024, the Company requested that the Tender Offer Purchase Price be at 4,000 yen, taking into consideration the results of the third-party appraiser's valuation of the equity value of the Company Shares, the market share price trend of the Company's common stock, and precedents of premiums granted in similar transactions in the past. In response, on March 20, 2024, C&D proposed to the Company that the Tender Offer Purchase Price be at 3,606 yen (the "**Third Proposal**") after sincerely considering the above request from the Company. The proposed Tender Offer Purchase Price of 3,606 yen in the Third Proposal represented a 50.0%

premium over the simple average closing price of 2,404 yen of the Company Shares on the Standard Market on the TSE for the past six months as of March 19, 2024 (according to C&D, in calculating the simple average closing price, for the closing price on October 25, 2023, the date on which the Company Shares were not traded, C&D used the closing price on October 24, 2023, which is the preceding business day), the business day immediately preceding the submission date (March 20, 2024) of the Third Proposal. Subsequently, on March 22, 2024, the Company requested that the Tender Offer Purchase Price be increased to bring it closer to a level that would fully meet the expectations of minority shareholders, as the Tender Offer Purchase Price still did not meet the expectations of minority shareholders. In response to such request from the Company, on March 25, 2024, C&D proposed to the Company a final Tender Offer Purchase Price of 3,800 yen, 1st Series Share Acquisition Rights Purchase Price of 62,840 yen, 2nd Series Share Acquisition Rights Purchase Price of 46,000 yen, 3rd Series Share Acquisition Rights Purchase Price of 46,000 yen, 4th Series Share Acquisition Rights Purchase Price of 46,000 yen and 5th Series Share Acquisition Rights Purchase Price of 2,250 yen to the Company. The proposed Tender Offer Purchase Price of 3,800 yen in the final proposal represented a 56.96% (rounded to the second decimal place) premium over the simple average closing price of 2,421 yen of the Company Shares on the Standard Market on the TSE for the past six months as of March 22, 2024 (according to C&D, in calculating the simple average closing price, for the closing price on October 25, 2023, the date on which the Company Shares were not traded, C&D used the closing price on October 24, 2023, which is the preceding business day), the business day immediately preceding the submission date (March 25, 2024) of the final proposal, and it represented a 44.16% (rounded to the second decimal place) premium over the simple average closing price of 2,636 yen of the Company Shares for the past three months.

Subsequently, on March 26, 2024, the Company replied in writing to C&D to the effect that it agrees to a final Tender Offer Purchase Price of 3,800 yen, 1st Series Share Acquisition Rights Purchase Price of 62,840 yen, 2nd Series Share Acquisition Rights Purchase Price of 46,000 yen, 3rd Series Share Acquisition Rights Purchase Price of 46,000 yen, 4th Series Share Acquisition Rights Purchase Price of 46,000 yen, and 5th Share Acquisition Rights Purchase Price of 2,250 yen.

In the course of the above examination and negotiations, the Special Committee received reporting from the Company and the Company's advisors and provided its responses including request for confirmation or opinions, as appropriate.

Specifically, in order to obtain the Company Share Valuation Report (defined below in "(iii) Details of Company's decision") from SBI Securities and to receive a proposal from the Offeror regarding the Purchase Price, etc., the Company formulated a business plan covering the fiscal year ending June 30, 2024 to the fiscal year ending June 30, 2027 (the "**Business Plan**"; Ms. Hasegawa was not involved in the preparation of the Business Plan) and the Company received the confirmation of the Special Committee as to the reasonableness of its contents, material assumptions, and the background to its preparation, etc., after which the Company presented it to the Offeror.

Furthermore, the Company's financial advisor, SBI Securities, handled negotiations with the Offeror in accordance with the negotiation policy discussed and determined by the Special Committee, and when proposals were received from the Offeror regarding the Tender Offer Purchase Price, these were each reported immediately to the Special Committee and handled in accordance with the Special Committee's instructions.

(iii) Details of Company's decision

Based on the background above, at the board of directors meeting held today, the Company has carefully discussed and considered the Transactions from the perspective of factors such as whether the Transactions would enhance the corporate value of the Company and whether the terms and conditions of the Transactions, including the Tender Offer Purchase Price, etc. are appropriate, based on the share valuation report received from SBI Securities on March 27, 2024 (the "**Company Share Valuation Report**") and the legal advice received from Anderson Mori & Tomotsune on considerations when making decisions regarding the Transactions, including the Tender Offer, while respecting to the maximum possible extent the content of the report dated March 27, 2024 received from the Special Committee (the "**Report**"; for a summary of the Report, please refer to "(i) Establishment of an independent special committee

and acquisition of the report from the special committee by the Company” in “(6) Measures to Ensure the Fairness of the Transactions, Including the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Purchase Price and Measures to Avoid Conflicts of Interest” below).

The Covid-19 pandemic has brought major changes to the business environment in which the Company operates. Whereas the reduction in inbound demand has led to a drop in demand for health foods, the increased demand for OXICLEAN has led to a situation where, among other things, the Company’s resources have focused on the OXICLEAN business, giving it significantly greater weighting in the Company’s business portfolio. Sales of OXICLEAN brand products sold under the Exclusive Distribution Agreement with C&D accounted for more than 80% of the Company’s total sales for the fiscal year ended June 30, 2023, and the Exclusive Distribution Agreement with C&D has had a significant impact on the Company’s ability to continue its business. The Company is aware of the need to expand sales of its proprietary products and launch new products to eliminate the dependency. In addition, the Exclusive Distribution Agreement for Oxyclean (OXICLEAN) currently does not allow direct negotiations with OEMs.

The Company’s market share in the powdered detergent market (OXICLEAN) is, according to Eagle Eye, a database of consumer purchasing information offered by True Data Inc, 65%, which gives it the top share in the powdered detergent market; however, the impact of products that are similar to OXICLEAN is understood to be growing significantly. Meanwhile, it is understood that the Company’s product WF (with FEM) (Note 3) has room for growth in comparison with competing products, and FM (FootMedi) (Note 4) needs to expand its user base and the overall foot care market, which is currently small.

(Note 3) “WF (with FEM)” refers to products developed for the purpose of attending to health issues specific to women and includes heating pads for the lower abdomen, natural herb-based supplements, and bath salts.

(Note 4) “FM (FootMedi)” refers to products developed for the purpose of removing dirt and calluses from the soles of the feet and includes solid and liquid soaps for the feet and foot brushes.

After discussing and examining the above issues, the Company has come to the conclusion that the Transactions will contribute to improving the corporate value of the Company in the following respects.

Since the beginning of the discussions with the Company regarding the Transaction, C&D has consistently made it clear to the Company that the Transaction and the Exclusive Distribution Agreement are separate, and has not discussed with the Company the renewal or the terms of the Exclusive Distribution Agreement concurrently with the discussions regarding the Transaction. However, if the Company becomes a group company of C&D, in purchasing the Company’s mainstay OXICLEAN brand products, the risk associated with renewal of the Exclusive Distribution Agreement will be eliminated and the stability of business continuity significantly improved. Also, becoming a C&D group company through the Transactions will allow direct negotiations with OEMs, which is expected to also improve the quality of OXICLEAN. Closer and smoother communication with C&D’s headquarters will facilitate the development of new products specific to the Japanese market, such as the liquid-type OXICLEAN (OXICLEAN Power Liquid) that went on sale on March 6, 2024, and a more comprehensive response to consumer needs. Not only that, the Company has determined that there are significant synergies expected from the Transactions in its core business, OXICLEAN, such as the expansion of the Company’s future growth potential. In terms of the Company’s own products besides OXICLEAN, the Transactions will provide the Company with opportunities for overseas expansion because the Company will be able to utilize C&D’s brands, global distribution network, and other resources.

In addition, in terms of the financial aspects, C&D’s finance division will be able to mitigate the foreign exchange risk associated with purchases of OXICLEAN, which is expected to enable the Company to control its financial risks and improve its flexibility on the financial side compared with the current situation.

Furthermore, in terms of recruitment, the Company believes that the C&D group’s global credibility and brand power will contribute to attracting talented personnel. Also, after the Transactions, the Company’s employees will be able to use the resources within the C&D group for professional development, which is expected to increase their value as human resources, and they will also enjoy the benefits of the global network of officers and employees of the C&D group. In addition to this, C&D, the parent company of the Offeror, is an extremely large company, listed on the New York Stock Exchange, and has a corporate governance system of a high standard, which will lead to the

strengthening of the Company's governance.

After the Company Shares are delisted, the Company will no longer be able to raise funds through equity financing from the capital market and will lose the advantages it has thus far enjoyed as a publicly listed company, such as the associated enhanced public trust. However, considering the Company's current financial situation, with essentially no need for finance other than borrowing for future business operations, and the recent low interest rate environment in indirect financing, there is no great need for equity financing for the time being, and considering the possibility of financial support from C&D, the Offeror's parent company, the Company has determined that the synergies from the Transactions would be larger than any loss of opportunity to raise funds through equity finance as a result of going private. In addition, the Company's name recognition and brand power, together with social credibility, which are important in terms of hiring personnel, are largely acquired and maintained through its business activities, and the Company will not necessarily lose its brand power, etc. by going private. As stated above, after the Transactions are executed, it will be able to utilize the name recognition, brand power, and social credibility of C&D in personnel recruitment, and therefore the Company believes that there is limited need to continue to maintain the listing of the Company Shares.

The Company has determined that the Tender Offer Purchase Price of 3,800 yen per share is a reasonable price that ensures the benefits that should be enjoyed by the minority shareholders of the Company, and that the Tender Offer provides all of the minority shareholders of the Company with a reasonable opportunity to sell their Company Shares at a price with an appropriate premium, based on the following points:

- (a) The Tender Offer Purchase Price has been agreed upon as a result of sufficient negotiations with the Offeror under the substantial involvement of the Special Committee, after the Company has taken sufficient measures to ensure the fairness of the terms and conditions of the Transactions including the Tender Offer Purchase Price as described in “(6) Measures to Ensure the Fairness of the Transactions, Including the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Purchase Price and Measures to Avoid Conflicts of Interest” below.
- (b) The Tender Offer Purchase Price exceeds the upper limit of the range calculated based on the market price method and falls within the range calculated based on the discounted cash flow method (the “**DCF method**”) among the results of the calculation of the value of the Company Shares by SBI Securities as described in “(ii) Summary of the calculation regarding the Company Shares” of “(3) Matters Regarding the Valuation” below.
- (c) As the period of the Tender Offer (the “**Tender Offer Period**”) is scheduled to be 30 business days, which is longer than the statutory minimum period of 20 business days, and there will be a long period between the announcement of the planned commencement of the Tender Offer and the actual commencement of the Tender Offer, opportunities for minority shareholders to make appropriate decisions regarding whether or not they should tender their shares in the Tender Offer and for persons other than the Offeror to purchase the Company Shares are ensured.
- (d) Since the amount of cash to be delivered to shareholders as consideration in the Squeeze-Out Procedures is expected to be calculated to be the same as the Tender Offer Purchase Price multiplied by the number of the Company Shares held by each shareholder of the Company who did not tender his/her shares in the Tender Offer, minority shareholders will have an appropriate opportunity to decide whether to tender their shares in the Tender Offer, and consideration has thereby given so that they will not be coerced to tender their shares.
- (e) As described below in “(i) Establishment of an independent special committee and acquisition of the report from the special committee by the Company” in “(6) Measures to Ensure the Fairness of the Transactions, Including the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Purchase Price and Measures to Avoid Conflicts of Interest”, the Tender Offer Purchase Price and other terms and conditions of the Transactions (including the appropriateness of the manner of conducting the Transactions and the



type of consideration) have been found to be appropriate in the Report received from the Special Committee.

The Share Acquisition Rights Purchase Price will be the difference between the Tender Offer Purchase Price and the exercise price per Company Share per each Share Acquisition Right multiplied by the number of Company Shares to be issued for each Share Acquisition Right, and as stated above, the Tender Offer Purchase Price is not considered to be at a level where the appropriateness of the price can be denied. Therefore, because the Share Acquisition Rights Purchase Price is calculated based on the difference between the Tender Offer Purchase Price and the exercise price for each Share Acquisition Right, the Company has determined that the Share Acquisition Rights Purchase Price is likewise not at a level where the appropriateness of the price can be denied.

For the reasons described above, the Company has determined that the Transactions will contribute to the improvement of the corporate value of the Company and that the terms of the Transactions, including the Tender Offer Purchase Price, are appropriate; at the board of directors meeting held today, the Company passed a resolution to, in its opinion as of today, to support the Tender Offer and also to recommend to all the Company's shareholders and Share Acquisition Rights Holders that they tender their shares and share acquisition rights in the Tender Offer if the Tender Offer is commenced. In addition, the Company has resolved that, at the time of the commencement of the Tender Offer, it will (i) ask the Special Committee to consider whether or not there are any changes to the opinion it has expressed to the Company's Board of Directors and to inform the Board of Directors of, the fact that there is no change, if there is no change; or its revised opinion, if there are any changes; and (ii) based on such opinion of the Special Committee, make another statement of opinion with respect to the Tender Offer upon the commencement of the Tender Offer. At the above board of directors meeting, Ms. Hasegawa, who is a director of the Company and the largest shareholder of the Company and has entered into the Tender Agreement with the Offeror, did not participate in any deliberation or resolution concerning the consideration of the Transactions, nor has she had any involvement whatsoever in discussions and negotiations with the Offeror in connection with the Transactions representing the Company, from the perspective of eliminating as much as possible the possibility of such decisions being affected by any conflict of interest issues and ensuring the fairness of the Transactions. For details of the above board of directors meeting, please see "(v) Approval of all disinterested directors of the Company (including Audit and Supervisory Committee members)" in "(6) Measures to Ensure the Fairness of the Transactions, Including the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Purchase Price and Measures to Avoid Conflicts of Interest" below.

(iv) Management policy after the Tender Offer

If the Tender Offer is successfully completed, C&D's basic management policy after the Tender Offer is to sufficiently consult with the Company and respect its views, while using the business base built to date by the Company, and using C&D management resources to proactively provide management resources from a medium- and long-term perspective to further improve the corporate value of the Company.

If the Tender Offer is successfully completed, C&D plans to appoint several persons it designates as officers of the Company, but has made no decisions to date, and will decide its policy after the completion of the Tender Offer after consultation and examination with the Company. Out of the Target's directors, Ms. Hasegawa plans to resign from the Company's board of directors after the completion of the Tender Offer and assume the role of an advisor of the Company. C&D and Ms. Hasegawa will discuss the specific terms and conditions of this proposal. In the First Non-binding Letter of Interest, C&D has confirmed its intention to maintain the employment of employees other than temporary workers (haken-shain) and part-time workers for one year after the completion of the Tender Offer, as it would like the employees engaged in the daily operations of the Company to continue to make efforts to develop the Company's business even after the completion of the Tender Offer.

(3) Matters Regarding the Valuation

(i) Name of the appraiser and relationship with the Company, C&D, Ms. Hasegawa, and the Offeror

The Company has engaged SBI Securities, which is a financial advisor and third-party appraiser that is independent of the Offeror, C&D, Ms. Hasegawa, and the Company, to calculate the value of the shares of the Company. SBI Securities is not a related party of the Offeror, C&D, Ms. Hasegawa, or the Company, and has no material interest in the Transactions (including the Tender Offer). At the second meeting of the Special Committee, having approved SBI Securities as a third-party appraiser based on the fact that there are no issues with the independence or expertise of SBI Securities, the Special Committee also confirmed that it has no objections to receiving expert advice from SBI Securities as necessary. In light of the other measures taken in the Transactions to ensure the fairness of the Tender Offer Purchase Price and the measures to avoid conflicts of interest (for specific details, please see “(6) Measures to Ensure the Fairness of the Transactions, Including the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Purchase Price and Measures to Avoid Conflicts of Interest” below), the Company believes that the interests of minority shareholders have been sufficiently considered and it has thus not obtained a written opinion on the fairness of the Tender Offer Purchase Price (a fairness opinion) from SBI Securities. Furthermore, the compensation for SBI Securities for the Transactions includes a contingency fee that is paid on conditions such as the consummation of the Transactions. The Company has appointed SBI Securities as its financial advisor and third-party appraiser using the above fee structure based on the determination that, taking into consideration general practices for similar transactions and also the appropriateness of a fee structure that would generate a considerable financial burden on the Company in the event that the Transactions do not close, etc., independence cannot be ruled out merely by the inclusion of a contingency fee payable on condition of closing of the Tender Offer.

(ii) Summary of the calculation regarding the Company Shares

SBI Securities having considered which of multiple share valuation methods should be adopted when calculating the Company’s share value, calculated the share value of the Company Shares using the market share price method, because the Company is listed on the Standard Market of the TSE and a market price exists; the comparable company comparison method, given that it was possible to analogize a share value by comparisons with comparable listed companies; and the DCF method, in order to reflect in the calculation the status of future business activities.

The range of prices per Company Share that SBI Securities calculated based on the above methods is as follows.

Market share price method: From 2,434 yen to 2,936 yen

Comparable company comparison method: From 2,119 yen to 2,627 yen

DCF method: From 3,693 yen to 4,423 yen

In the market share price method, the range of share prices per Company Share was calculated to be 2,434 yen to 2,936 yen, based on the closing price of the Company Shares on the Standard Market of the TSE on the reference date of March 27, 2024 being the business day prior to the public announcement of the Tender Offer (2,764 yen), the simple average closing price over the one-month period ending on that date (2,936 yen), the simple average closing price over the three-month period ending on that date (2,651 yen), and the simple average closing price over the six-month period ending on that date (2,434 yen).

Under the comparable company comparison method, the range of share prices per Company Share was calculated to be 2,119 yen to 2,627 yen, based on the share price of the Company calculated by comparing financial indicators such as market value and profitability, etc. of listed companies engaged in similar business to the Company.

Under the DCF method, the share value per share of the Company Shares the range of share prices per Company Share was calculated to be 3,693 yen to 4,423 yen by calculating the enterprise value and share price

derived from the discounted present value of the forecast free cash flow expected to be generated by the Company from the third quarter of the fiscal year ending June 2024 onwards, taking into consideration assumptions considered to be reasonable such as profit forecasts and investment plans based on the Business Plan prepared by the Company.

The Business Plan prepared by the Company, which SBI Securities used in calculations under the DCF method, includes fiscal years where large changes in profits year on year are forecast. Specifically, in the fiscal year ending June 2025, operating profit of 473 million yen (an increase of 42.4% compared to the previous year) is expected due to strengthening sales strategies of OXICLEAN and the Company's own products and cost containment due to a review of logistics costs. As advance investments in inventory assets are necessary in order to deal with a sales increase of OXYCLEAN and the Company's proprietary products, significant fluctuations of the free cash flow is expected where the free cash flow in the fiscal years ending in June 2025, June 2026 and June 2027 is expected to be 40 million yen (a decrease of 87.6% compared to the previous year), 121 million yen (an increase of 202.5% compared to the previous year) and 191 million yen (an increase of 57.9% compared to the previous year), respectively. Further, because it is difficult at this stage to give concrete estimates of the synergy effects expected to be realized from executing the Transactions, these have not been taken into account in the financial forecast.

(iii) Summary of Calculation for the Share Acquisition Rights

The Company has not obtained a written opinion (fairness opinion) from a third-party valuation agent as the offer price for the Share Acquisition Rights was decided to be the product of the difference of the Tender Offer Purchase Price of 3,800 yen less the exercise price per Share Acquisition Right, multiplied by the number of Company Shares underlying the Share Acquisition Rights.

Acquisition of the Share Acquisition Rights by assignment requires approval from the board of directors of the Company, but the Company resolved at the board of directors meeting held today to give blanket approval for assignment to the Offeror of the Share Acquisition Rights by Share Acquisition Rights Holders in response to the Tender Offer, but limited to those Share Acquisition Rights that are actually tendered by the Share Acquisition Right Holders, on the condition that the Tender Offer is concluded.

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

The Company has received the following explanation from the Offeror with respect to the policy for organizational restructuring, etc. after the Tender Offer.

As mentioned in "(i) Overview of the Tender Offer" in "(2) Grounds and Reasons for Opinion" above, if the Tender Offer is successfully completed but the Offeror is not able to acquire all of the Company Shares (including the Company Shares which will be issued upon exercise of the Share Acquisition Rights and excluding the treasury shares held by the Company) and all of the Share Acquisition Rights through the Tender Offer, the Offeror plans on conducting the Squeeze-Out Procedures by the following methods.

(i) Demand for Sale of Shares, etc.

If, as a result of the successful completion of the Tender Offer, the total number of voting rights in the Company owned by the Offeror becomes 90% or more of the voting rights of all shareholders of the Company, and the Offeror becomes a special controlling shareholder as provided for in Article 179, Paragraph (1) of the Companies Act, the Offeror intends to, promptly after the completion of the settlement of the Tender Offer, make a demand to all of the shareholders of the Target (excluding the Offeror and the Target; the "**Selling Shareholders**") (to sell all of the Company Shares they hold (the "**Demand for Sale of Shares**"), and to make a demand to all of the Share Acquisition Rights Holders (excluding the Offeror; the "**Selling Share Acquisition Rights Holders**") to sell all of the Share Acquisition Rights they hold (the "**Demand for Sale of Share Acquisition Rights**", and collectively with the Demand for Sale of Shares, the "**Demand for Sale of Shares, Etc.**") under the provisions of Article 179 of the Companies Act. In the Demand for Sale of Shares, money equal to the amount of the Tender Offer Purchase Price is

to be delivered to the Selling Shareholders as consideration for each Company Share, and in the Demand for Sale of Share Acquisition Rights, money equal to the amount of the Share Acquisition Rights Purchase Price for each respective series is to be delivered to Selling Share Acquisition Rights Holders for each respective series as consideration for each share acquisition right. In that case, the Offeror will notify the Company to that effect and request approval from the Company for the Demand for Sale of Shares, Etc. If the Company approves such Demand for Sale of Shares, Etc. by a resolution of its board of directors meeting, the Offeror will acquire all of the Company Shares held by all of the Selling Shareholders and acquire all of the Share Acquisition Rights held by all of the Selling Share Acquisition Rights Holders as of the acquisition date stated in the Demand for Sale of Shares, Etc. without requiring any individual approval of the Selling Shareholders and the Selling Share Acquisition Rights Holders in accordance with procedures prescribed in relevant laws and regulations. According to the Target Press Release, if the Demand for Sale of Shares, Etc. is made by the Offeror, the Company will approve the Demand for Sale of Shares, Etc. at its board of directors meeting. If the Demand for Sale of Shares, Etc. has been conducted, any Selling Shareholders and Selling Share Acquisition Rights Holders may file a petition to the court for a determination of the purchase price of the Company Shares and the Share Acquisition Rights they own in accordance with Article 179-8 of the Companies Act and the provisions of other relevant laws and regulations.

(ii) Consolidation of Shares

If the total number of voting rights in the Company owned by the Offeror is less than 90% of the voting rights of all shareholders of the Company after the successful completion of the Tender Offer, the Offeror intends to make a demand to the Company promptly after the completion of the settlement of the Tender Offer to convene an extraordinary shareholders meeting (the “**Extraordinary Shareholders Meeting**”) at which the agenda items will include a consolidation of the Company Shares and an amendment to the Company’s articles of incorporation to abolish the provisions on share units on the condition that the share consolidation takes effect.

If the proposal for the share consolidation is approved at the Extraordinary Shareholders Meeting, on the day on which the share consolidation takes effect, each shareholder of the Company will own the Company Shares in a number that corresponds to the ratio of the share consolidation approved at the Extraordinary Shareholders Meeting. If a fraction less than one share arises in the number of shares as a result of the share consolidation, money obtained from selling to the Company or the Offeror the Company Shares in a number that is equal to the total number of those fractions (if there is a fraction less than one share in that total number, that fraction is to be rounded down, hereinafter the same) is to be delivered to the shareholders of the Company in accordance with the procedures prescribed in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Company Shares equivalent to the total number of those fractions, the Offeror intends to make a demand to the Company to file a petition to a court for permission to make a sale by private contract after setting the amount of money to be delivered to the shareholders of the Company that did not tender shares in the Tender Offer (excluding the Offeror and the Company) as a result of that sale being the same as the price obtained by multiplying the Tender Offer Purchase Price by the number of Company Shares owned by each of those shareholders. Further, although the ratio of the consolidation of the Company Shares has not been determined as of the submission date of this Statement, the ratio is to be determined so that the number of Company Shares owned by the shareholders of the Company (excluding, however, the Offeror and the Company) that did not tender shares in the Tender Offer will be a fraction less than one share so that the Offeror owns all of the issued shares of the Company (including the Company Shares which will be issued upon exercise of the Share Acquisition Rights and excluding the treasury shares owned by the Company).

The Companies Act provides that if the share consolidation is performed and a fraction less than one share arises as a result of the share consolidation, any shareholder of the Company who did not tender in the Tender Offer (excluding the Offeror and the Company) may, in accordance with Article 182-4 and Article 182-5 of the Companies Act and the provisions of other relevant laws and regulations, make a demand to the Company to purchase at a fair price all of the shares owned by that shareholder that will become a fraction less than one share and file a petition to the court for a determination of the price of the Company Shares. The Tender Offer is not intended to solicit the shareholders of the Company to approve the proposals at the Extraordinary Shareholders Meeting.

If the Tender Offer is successfully completed but the total number of voting rights in the Company owned by the Offeror is less than 90% of the voting rights of all shareholders of the Company, and the Offeror is unable to acquire

all the Share Acquisition Rights in the Tender Offer and Share Acquisition Rights are unexercised and remaining, the Offeror intends to implement, or request the Company to implement, acquisition of such Share Acquisition Rights or other reasonable procedures necessary for the implementation of the Transaction, but the details remain undetermined as of the submission date of this Statement. The Company intends to cooperate if it receives such a request. The procedures in (i) and (ii) above might require time to implement or might change to another method depending on circumstances, etc. such as any revision, enforcement, or interpretation, etc. by authorities of relevant laws and regulations. However, even in that case, if the Tender Offer is successfully completed, it is expected that the method of ultimately delivering money to the shareholders of the Company (excluding the Offeror and the Company) that have not tendered shares in the Tender Offer will be used, and the amount of money to be delivered to those shareholders in that case is to be calculated so that it is equal to the price obtained by multiplying the Tender Offer Purchase Price by the number of the Company Shares owned by each of those shareholders. If delivering money to the Share Acquisition Rights Holders that have not tendered Share Acquisition Rights in the Tender Offer, the amount of such money is to be calculated so that it is equal to the price obtained by multiplying the Share Acquisition Rights Purchase Price of each respective series in the Tender Offer by the number of the Share Acquisition Rights of each respective series owned by each of the Share Acquisition Rights Holders. However, if a petition for a determination of the purchase price in the Demand for Sale of Shares, Etc. or a petition for a determination of the price in relation to the appraisal rights regarding share consolidation is filed, the purchase price of the Company Shares and the Share Acquisition Rights or the price in relation to the appraisal rights of the Company Shares will be ultimately determined by the court.

Matters such as the specific procedures in each of the above cases and the timing of the implementation of those procedures are to be promptly publicly announced by the Company once they have been determined following discussions between the Company and the Offeror.

The shareholders of the Company should consult with tax experts at its own responsibility on the handling of tax matters in relation to tendering Company Shares and Share Acquisition Rights in the Tender Offer and the above procedures.

(5) Likelihood of Delisting and Reasons for that Delisting

Although the Target Shares are listed on the Standard Market of the TSE as of the submission date of this Statement, the Offeror has not set a maximum number of Target Shares to be purchased to be purchased in the Tender Offer, so the Target Shares might be delisted through prescribed procedures in accordance with delisting criteria of the TSE depending on the result of the Tender Offer. Even if the number of Target Shares purchased do not fall under those criteria at the time of the successful completion of the Tender Offer, if the Offeror implements the Squeeze-Out Procedures stated in “(4) Policy of Restructuring, Etc. after the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” above after the successful completion of the Tender Offer, the Company Shares will fall under the delisting criteria of the TSE and be delisted through the prescribed procedures. After delisting, the Company Shares will not be able to be traded on the Standard Market of the TSE.

(6) Measures to Ensure the Fairness of the Transactions, Including the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Purchase Price and Measures to Avoid Conflicts of Interest

As of today, the Company is not a subsidiary of the Offeror, and the Tender Offer is not a tender offer by a controlling shareholder. It is not planned that all or part of the management of the Company will directly or indirectly invest in the Offeror, and the Transactions including the Tender Offer is not a management buyout (MBO). However, in light of Ms. Hasegawa being willing to enter into a tender agreement by which Ms. Hasegawa will tender all the Company Shares she owns, and because Ms. Hasegawa intends to assume the role of an advisor of the Company after the completion of the Tender Offer, and therefore there is a possibility that the interests of Ms. Hasegawa and the minority shareholders of the Company may not necessarily align, the Offeror and the Company have taken the following measures to ensure the fairness of the Tender Offer Purchase Price and avoid conflicts of interest. In addition, the following descriptions of measures implemented at the Offeror are based on explanations received from the Offeror. Please refer to “4. Matters Concerning Material Agreements Relating to the Tender Offer” below for details of the Tender Agreement.

- (i) Establishment of an independent special committee and acquisition of the report from the special committee by the Company

- (a) Background to establishment, etc.

As stated in “(iii) Decision-making process and reasons leading to the Company’s support for the Tender Offer” in “(2) Grounds and Reasons for Opinion” above, the Company established the Special Committee by a resolution of the board of directors meeting held on June 22, 2023. The Company selected four candidates for membership of the Special Committee – Takashi Nakaota (Independent Outside Director of the Company (Audit and Supervisory Committee member, attorney at law)), Ryosuke Ikeda (Independent Outside Director of the Company), Kengo Maekawa (Independent Outside Director of the Company (Audit and Supervisory Committee member, certified public accountant)) and Junji Kawabuchi (Independent Outside Director of the Company (Audit and Supervisory Committee member, certified public accountant)) – after confirming that these candidates were independent of the Offeror, C&D, Ms. Hasegawa, and the Company and did not have any material conflicts of interest with general shareholders in relation to whether the Transactions would take place, and having had discussions with candidates for membership of the Special Committee and having received advice from Anderson Mori & Tomotsune, to ensure a balance of knowledge, experience, and capability and appropriate scale of the Special Committee as a whole.

As stated in “(iii) Decision-making process and reasons leading to the Company’s endorsement of the Tender Offer” in “(2) Grounds and Reasons for Opinion” above, at the board of directors meeting convened on June 22, 2023, the Company made a resolution to establish the Special Committee and consulted the Matters Consulted with the Special Committee on July 19, 2023.

In addition, in consulting the Special Committee, the Company’s board of directors has resolved, amongst other matters, (a) that the decision-making of the Company’s board of directors regarding the Transactions shall be made with utmost respect for the Special Committee’s judgment, and in particular, if the Special Committee determines that the terms and conditions of the Transactions are not appropriate, the board of directors of the Company shall not support the Transactions under such terms and conditions; (b) to grant to the Special Committee the power to conduct an inquiry in relation to the Transactions (including asking questions and requesting explanations from the Company’s officers or employees or its advisors involved in the Transactions on matters necessary for the consideration of the Matters Consulted); (c) to grant to the Special Committee the power to (i) request the Company to communicate the Special Committee’s proposals and other opinions or questions to the potential acquirer, and (ii) request to set up an opportunity for the Special Committee to consult directly with the potential acquirer (including its officers and employees and advisors involved in the Transactions) (upon receipt of such request from the Special Committee, the Company shall make its best efforts to respond to the request of the Special Committee); (d) to grant to the Special Committee the power not to approve the advisors appointed by the Company if the Special Committee finds that there is a problem with the independence of the advisors appointed by the Company (in such cases, the Company must respect the determination of the Special Committee to the maximum extent possible); and (e) to authorize the Special Committee to appoint its own advisors at the Company’s expense.

Notwithstanding the content of the Report, each member of the Special Committee shall be paid fixed month remuneration as consideration for their services.

- (b) Background to examination

The Special Committee convened a total of 15 times for approximately 19 hours during the period from September 7, 2023 to March 27, 2024 and carried out duties pertaining to the Matters Consulted at the committee through e-mail in between committee meetings, sharing reports and information, deliberations, and decision-making as needed during this period.

Specifically, the Special Committee approved the appointment of SBI Securities, which is the Company’s financial advisor and third-party appraiser, and Anderson Mori & Tomotsune, which is the Company’s legal

advisor, having confirmed that the Offeror, C&D, Ms. Hasegawa, and the Company are not related parties and do not have any material conflicts of interests in relation to the Transactions, including the Tender Offer, and that there are otherwise no problems with their independence or expertise.

Furthermore, as stated in “(iv) Establishment of an independent examination system in the Company,” the Special Committee has approved an examination system for the Transactions that the Company has established internally (including the scope of officers and employees of the Company involved in the examination, negotiation, and judgment of the Tender Offer and their duties), having confirmed that there are no issues from the standpoint of independence and fairness. In addition, the Special Committee has examined the measures needed to ensure procedural fairness in the Transactions in light of opinions ascertained from Anderson Mori & Tomotsune. In addition to receiving an explanation from the Company about the Business Plan that the Company prepared, its contents, material assumptions, and the background to its preparation, the Special Committee has confirmed the reasonableness of these matters.

The Special Committee received explanations of the purpose and meaning of the Transactions and their impact on the Company’s business. The Special Committee conducted Q&A sessions on these points, presenting questions to the Offeror and having Q&A sessions with the Offeror in interview format addressing the purpose of and background to the Transaction and management plans for after the Transactions.

In addition, as stated in “(i) Name of the appraiser and relationship with the Company, C&D, Ms. Hasegawa, and the Offeror” in “(3) Matters Regarding the Valuation” above, SBI Securities appraised the Company Shares on the basis of the Business Plan, and after receiving explanations from SBI Securities of the calculation methods for calculating the value of the Company Shares, the reasons for adopting those methods, and the content of and material assumptions behind the calculations of each calculation method, and then conducting Q&A sessions and engaging in deliberation and examination, the Special Committee confirmed the reasonableness of these matters.

The Special Committee also received reports from the Company and SBI Securities from time to time regarding the Company’s negotiations with the Offeror and C&D and engaged in deliberation and examination, stating necessary opinions about the Company’s negotiation policy as was appropriate. Specifically, each time a proposal on the Tender Offer Purchase Price and other terms was received from C&D, the Special Committee received reports about that proposal and deliberated after hearing the analyses and opinions of SBI Securities on the planned response and the policy for negotiating with the Offeror. Furthermore, at all of these times, the Special Committee was involved in the overall process of discussion and negotiation between the Company and the Offeror concerning the conditions of the Transactions, including the Tender Offer Purchase Price, by, amongst other things, stating its opinion on the matters that should be discussed with the Offeror in order to achieve the meaning and purpose of the Transactions as far as the Company is concerned, in addition to stating its opinion that it had no objection to the Company’s direction of requesting that the Offeror reconsider the Tender Offer Purchase Price. As a result, on March 25, 2024 the Company received a proposal from the Offeror that had the Tender Offer Purchase Price as 3,800 yen and as a result accepted the 4 round’s proposal, ultimately receiving a 16.92% increase on the first proposal price (rounded to two decimal places).

Furthermore, the Special Committee received explanations from Anderson Mori & Tomotsune multiple times about the content of drafts of the press release about the Tender Offer that the Company plans to release or submit, and it has confirmed that the appropriate disclosures are to be made.

### (c) Details of determinations

As a result of continued careful examination and discussion of the Matters Consulted as described above, the Special Committee unanimously submitted the Report dated March 27, 2024 to the board of directors, the content of which is outlined below.

#### (a) Report content

1. The purpose of the Transactions is found to be reasonable (the Transactions contribute to the improvement of the corporate value of the Company).

2. The appropriateness of the terms of the Transactions (including the appropriateness of the method of implementation of the Transactions and the type of consideration) is found to have been ensured.
  3. It is found that fairness has been ensured in the procedures for the Transactions.
  4. Considering 1 through 3 above, at present, it is found suitable that a resolution by the board of directors of the Company pass a resolution endorsing the Tender Offer and recommending that shareholders and Share Acquisition Right Holders of the Company tender their Company Shares and Share Acquisition Rights in the Tender Offer, and it is found that the decision by the board of directors of the Company to carry out the Transactions (if a tender offer is carried out in the Transactions, including a statement of opinion regarding such tender offer) is not detrimental to the minority shareholders of the Company.
- (b) Reasons for findings
1. Findings on Matters Consulted (a) (whether the purpose of the Transactions is reasonable (including whether the Transactions contribute to the improvement of the corporate value of the Company))
 

In light of the following points, it is found that the purpose of the Transactions is reasonable because the determination that the synergies from the Transactions are expected to improve the corporate value of the Company is reasonable, and no circumstances are found to materially impede the improvement of the corporate value of the Company by the Transactions.

    - (1) Understanding of the business environment and issues for management at the Company
      - According to the Company, the Covid-19 pandemic has brought major changes to the business environment in which the Company operates. Whereas the reduction in inbound demand has led to a drop in demand for health foods, the increased demand for OXICLEAN has led to a situation where, among other things, that the Company's resources have focused on the OXICLEAN business, giving it significantly greater weighting in the Company's business portfolio. In other words, sales of the OXICLEAN brand under the Exclusive Distribution Agreement with C&D exceeded 80% of the total sales of the Company in the fiscal year ended June 2023, that the Exclusive Distribution Agreement with C&D has a major impact on the continuing business of the Company, and that there is an understanding of the need to take measures to balance the portfolio of the Company, including expanding sales of the in-house products of the Company and deploying new products. Furthermore, the Exclusive Distribution Agreement for OXICLEAN does not allow direct negotiation with OEMs.
      - Currently, in relation to OXICLEAN, the Company has, according to Eagle Eye, a database of consumer purchasing information offered by True Data Inc, No.1 share in the powdered detergent market with a market share of approximately 65%, but the impact of products that are similar to OXICLEAN is understood to be growing significantly. On the other hand, there is room for growth in the WF (Withfem) products handled by the Company based on the examples of other companies' products, and it is understood that there is a need to expand the user base and grow the market for the FM (Foot Medi) product because the foot care market is small.
      - In relation to the financial aspects, the profit of the Company has also become greatly impacted by increased cost ratios due to high raw material costs and foreign exchange rates, and cost reduction has become an issue. Furthermore, there is an understanding that further strengthening is necessary with regard to hiring and development of human resources, with a focus on the potential growth of the Company.
    - (2) Synergies, etc. expected from the Transactions
      - (a) Synergies expected by the Company
        - According to the Company, if the Company becomes a C&D group company, when purchasing the Company's mainstay OXICLEAN brand products, the risk associated with renewal of the Exclusive Distribution Agreement will be eliminated and the stability of business continuity significantly improved. Furthermore, by becoming a C&D group company through the Transactions, it will become possible to negotiate directly with OEMs, and that possible quality improvements to OXICLEAN



could be anticipated. It would also become possible to have close and smooth communications with the headquarters of C&D, which would not only simplify the development of new products optimized for the Japanese market, such as OXICLEAN Power Liquid, of which began sales on March 6, 2024, and allow them to more fully meet consumer needs, but would also expand the Company's future growth potential; therefore, the anticipated synergies due to the Transactions are large for the core OXICLEAN business of the Company. For the Company's in-house products other than OXICLEAN, as well, international expansion opportunities can be obtained by enabling the use of the C&D brand, global logistics network, and other resources. Furthermore, in relation to financial aspects, it would become possible to reduce the foreign exchange risks with regard to OXICLEAN procurement through the initiatives of the C&D finance division, making it possible to control the risks from the financial perspective of the Company, and improvements to financial flexibility could be anticipated. Moreover, it is thought that from a personnel hiring perspective, the global credibility and brand power of the C&D group will contribute to securing talented personnel. Furthermore, the Company employees will be able to use C&D group resources for personnel development after the realization of the Transactions, leading to anticipated value enhancement through human resources and reaping the benefits of the global officer and employee network of the C&D group. Additionally, C&D, the parent company of the Offeror, is an extremely large enterprise listed on the New York Stock Exchange, and has high standards of corporate governance systems, which would lead to improvements in the governance of the Company.

- No unreasonable aspects were found in the aforementioned synergies explained by the Company, and it can be thought that the judgment of the Company is reasonable that the Transactions will contribute to improving the corporate value of the Company.

(b) Synergies expected by C&D

- According to C&D, the Transactions are believed to bring the benefits of (i) expansion of the C&D brand portfolio in Japan, (ii) utilization of resources and functions to promote the growth of the Company, and (iii) reduction of resources in relation to maintaining listing. Furthermore, according to the Company, the Company can also expect to generate the aforementioned synergies through the Transactions.
- No mutually inconsistent or clearly objectively false points were found in the contents of the synergies described above, and they are thought to be reasonable.

(3) Expected demerits of the Transactions

- According to the Company, delisting the Company Shares would cause the Company to be unable to raise equity financing from the capital markets, as well as the loss of the benefits enjoyed to date as a listed company in terms of improved social credibility by virtue of being a listed company. However, considering, among other factors, the current financial condition of the Company, which basically does not require funding other than borrowing to operate its business going forward, and the low-interest environment for indirect financing, there is not a great need for equity financing at the moment, and considering the financial support from C&D as the parent company of the Offeror, the loss of opportunities to raise equity financing due to de-listing would be smaller than the synergies from the Transactions. Furthermore, the need to continue the listing of the Company Shares going forward is limited because the Company's name recognition, brand power, and the social credibility of the Company, which are important from the perspective of hiring personnel, were largely acquired and maintained through business activities, that the brand power and the like would not necessarily be lost by delisting, and as stated above, the name recognition, brand power, and social credibility of C&D can be used in hiring personnel after the Transactions are carried out.
- Thus, it is thought that the judgment of the Company—that the demerits of delisting are limited and are smaller than the synergies expected to be generated through the Transactions—is not particularly unreasonable in any respect.

2. Findings on Matters Consulted (b) (whether the appropriateness of the terms of the Transactions (including the appropriateness of the method of implementation of the Transactions and the type of consideration) has been ensured)

Based on the following points, it is considered that the appropriateness of the terms of the Transactions (including the appropriateness of the method of implementation of the Transactions and the type of consideration) has been ensured.

- To ensure the fairness and appropriateness of the terms of the Transactions and the Tender Offer Purchase Price, etc. at the time of its consideration and judgment, the Company appointed an independent third-party appraiser to calculate the share price of the Company Shares, obtained a share valuation report from this third-party appraiser, and referred to the share valuation report.
- The calculation methods used in the calculation process to reach the conclusions in the share valuation report prepared by the third-party appraiser were common and reasonable methods in light of current practices.
- The contents of the foregoing valuation are thought to be appropriate in light of current practices, and considering the explanation by the Company and third-party appraiser to the Special Committee in relation to the Company's business plan that forms the basis of the valuation, the Special Committee also confirmed, upon understanding the background of the preparation of the Company business plan and the current state of the Company, the reasonableness of the business plan from the standpoint of whether there are any unreasonable aspects in light thereof, and in conclusion, no unreasonable aspects were found in the business plan.
- Considering the foregoing, there are no particularly unreasonable points or remarkable issues in the share valuation report prepared by the third-party appraiser.
- Furthermore, based upon the share valuation report, it can be said that the Company analyzed the Tender Offer Purchase Price, etc. giving holistic consideration to the necessity and merits of the Transactions, the impact on the future business of the Company, and other circumstances.
- The Company engaged a highly experienced financial advisor (and third-party appraiser) to carry out negotiation of the overall terms of the Transactions, including the Tender Offer Purchase Price, etc.
- The Tender Offer Purchase Price agreed by the Company and the Offeror is within the scope of the valuation based upon the DCF method and exceeds the results of the calculation in relation to the calculation by other methods.
- In relation to the closing price of the Company Shares on the Tokyo Stock Exchange through March 27, 2024 (in this paragraph, the "**Previous Day**"), the Tender Offer Purchase Price includes a premium equal to 37.48,% of the closing price on the Previous Day, 29.43% of the average closing price during the month prior to the Previous Day, 43.34% of the average closing price during the three months prior to the Previous Day, and 56.12 % of the average closing price during the six months prior to the Previous Day. Considering the premiums in past similar transactions (specifically, transactions announced following the announcement of the M&A Guidelines in July 2019 and completed no later than February 29, 2024, in which the tender offeror had no capital relationship with the target and the target became a wholly-owned subsidiary), the premium attached to the Tender Offer Purchase Price does not exhibit any particularly different standard, and is estimated to be at an adequately reasonable level.
- The purchase price for the Share Acquisition Rights is planned to be an amount equal to the difference between the Tender Offer Purchase Price and the exercise price per share for each of the Share Acquisition Rights, multiplied by the number of Company Shares subject to each of the Share Acquisition Rights. As described above, the Tender Offer Purchase Price can be evaluated as not being at a level at which the appropriateness of the pricing can be denied, and the purchase price for the Share Acquisition Rights is calculated based upon the difference between the Tender Offer Purchase Price and the exercise price for each Share Acquisition Right. Therefore, the purchase price for the Share Acquisition Rights can also be evaluated as not being at a level at which the appropriateness of the pricing

can be denied.

- With regard to ensuring the fairness and appropriateness of the terms of the Transactions, including the Tender Offer, especially the Tender Offer Purchase Price, etc., which is the consideration for the Tender Offer, and the judgment and decision-making of the Company in relation to these matters, the response of the Company to these matters is thought to be reasonable and appropriate as a method of excluding arbitrariness from the process.
  - Moreover, according to explanations from the Company, the terms of the Squeeze-Out Procedures are to be calculated and decided based upon the same price as the Tender Offer Purchase Price, etc., barring any special circumstances in the future.
  - In this regard, the Squeeze-Out Procedures are planned to be carried out as a continuation of the Tender Offer following the Tender Offer (a so-called two-step acquisition), and it is thought to be reasonable to use the same transactional terms for both procedures, which have proximity in timing.
3. Findings on Matters Consulted (c) (whether the fairness of the procedures in connection with the Transactions is ensured (including consideration of the degree to which measures should be taken to ensure fairness))

In the following respects, it was considered that the fairness of the procedures in connection with the Transactions is ensured.

- When considering how to respond to the Transactions, the Company established a Special Committee independent of the Company, Ms. Hasegawa, the Offeror, and C&D to eliminate any influence of Ms. Hasegawa, the Offeror, and C&D on the analysis and decision-making process at the Company.
- The Special Committee consists of four members, of whom one is an outside director and three are outside directors and Audit and Supervisory Committee members.
- Also, an outside director and Audit and Supervisory Committee member was elected as chairperson by the Special Committee members from among the same members of the Special Committee.
- The Company appointed Anderson Mori & Tomotsune as a legal advisor independent of the Company, Ms. Hasegawa, the Offeror, and C&D from whom to receive legal advice on the Transactions (including so-called fairness assurance measures and conflict of interest avoidance measures), and in relation to the aforementioned independence of Anderson Mori & Tomotsune, the Special Committee received the necessary explanations and confirmed its independence.
- The Company requested that SBI Securities conduct a valuation of the Company Shares as a third-party appraiser independent of the Company, Ms. Hasegawa, the Offeror, and C&D to ensure the fairness of the terms of the Tender Offer, especially the Tender Offer Purchase Price, etc., when considering how to respond to the Transactions. The Company obtained a share valuation report prepared by them, and in relation to the aforementioned independence of SBI Securities, the Special Committee received the necessary explanations and confirmed its independence.
- While the Company is not a consolidated subsidiary of the Offeror, and the Tender Offer does not constitute an acquisition of a controlled company by a controlling shareholder, sales of OXICLEAN brand products pursuant to the Exclusive Distribution Agreement with C&D account for over 80% of the overall sales of the Company in the fiscal year ending in June 2023 and these are the main products of the Company. Therefore, systems have been established within the Company to conduct the analysis, negotiation, and judgment concerning the Tender Offer (including the scope and roles of the Company officers and employees involved in the analysis, negotiation, and judgment of the Tender Offer) from a position independent of Offeror, C&D, and Ms. Hasegawa, recognizing the need to take care in the decision-making of the Company concerning the Transactions, to avoid arbitrariness or conflicts of interest in the decision-making process by the board of directors of the Company, and to secure the fairness of the process, considering that the contract with C&D, the parent company of the Offeror, has a major impact on the continuation of the Company's business, that Ms. Hasegawa, the Representative Director of the Company, is the largest shareholder of the Company and may ultimately be able to execute

a tender offer agreement with the Offeror, and that the interests of Ms. Hasegawa and the minority shareholders of the Company may not necessarily be aligned. The Special Committee also confirmed the independence of the foregoing having received necessary explanations.

- In relation to the strategy for discussions and negotiations between the Company and the Offeror, the Company and its financial advisor, SBI Securities, provided an explanation of the negotiation strategy and the like to the Special Committee, and the negotiations with the Offeror were progressed under the negotiation strategy confirmed by the Special Committee.
- With regard to the specific status of the discussions and negotiations between the Company and the Offeror, timely reports were given to the Special Committee, and especially with regard to the critical phases of negotiations in relation to the Tender Offer Purchase Price, etc., the Special Committee gave opinions to the Company and its financial advisor based on the contents of these reports and requested the negotiations thought to be necessary and the like, ensuring a system in which the Special Committee could practically participate in the negotiation process for the terms of the Tender Offer, especially the Tender Offer Purchase Price, etc.
- In addition, the Company repeatedly conducted holistic verifications with regard to the circumstances such as the appropriateness, fairness, and practicality of the terms, and through multiple rounds of discussions with the Offeror, proceeded with the final adjustments of the Tender Offer Purchase Price, etc. for the price anticipated by the resolution of the board of directors.
- Thereafter, the Company and the Offeror were ultimately able to agree upon the terms of the Transactions, including the Tender Offer Purchase Price, etc., and the price agreed by the Company is the Tender Offer Purchase Price, etc. for which the board of directors planned to pass a resolution.
- Moreover, with regard to the matter of the Squeeze-Out Procedures, as part of the so-called two-step acquisition, early and detailed disclosures and explanations are planned to be conducted, it can be said that efforts have been made to ensure the opportunity for appropriate judgment by the Company's shareholders, and in the other disclosure documents that the Offeror and the Company plan to prepare and disclose, information is planned to be disclosed that is thought to be necessary and appropriate for the Company's shareholders and the Share Acquisition Rights Holders to make judgments on the appropriateness, etc. of the terms of the Transactions, including the Tender Offer.
- It can be said that efforts were made to exclude arbitrariness from the decision-making process, including in that directors of the Company who may have a conflict of interest have not participated in the analysis of the Transactions by the Company, and do not plan to participate in the future board of directors deliberations and resolutions related to the Transactions.
- It is thought that there are no particularly unreasonable circumstances from a perspective of so-called passive market checks, including in that the Tender Offer Period is 30 business days, which is longer than the 20 business days that is the shortest term permitted by law, and the Company and the Offeror have not agreed to any so-called transaction protection provisions, such as prohibiting the Company from contacting a competing prospective acquiror, nor have they otherwise agreed to restrict contacts with competing prospective acquirors. In relation to so-called active market checks, or investigating and analyzing the presence of latent purchasers in the market, it was not necessarily easy to carry them out from the standpoint of information management and the like, and therefore, the fact that they were not conducted in the Transactions does not, by itself, create an unreasonable situation in terms of market checks.
- The Squeeze-Out Procedures, as part of a so-called two-step acquisition procedures, are planned for the de-listing of the Company Shares in the Transactions (currently, this is expected to be either a demand for sale of shares or a share consolidation procedure). In this regard, the Companies Act allows for a petition to the court to determine the sale and purchase price for the purpose of protecting the rights of minority shareholders in relation to a demand for sale of shares. Furthermore, the Companies Act allows Company shareholders, under prescribed conditions, to demand that the Company purchase all of the

fractional amounts of less than one common share that they hold at a fair price, and allows for a petition to the court to determine the sale and purchase price of the Company Shares, for the purpose of protecting the rights of minority shareholders in relation to a share consolidation. The decision of the price if such a petition was made would ultimately be at the judgment of the court, and it is considered possible for the minority shareholders of the Company to secure their economic interests through these procedures. For the Share Acquisition Rights Holders as well, it is possible to make a petition to the court to determine the sale and purchase price of share acquisition rights when a demand for sale of shares is made, and when a share consolidation takes place, the Offeror expects to either perform or request the performance of the necessary and reasonable procedures for the Company to acquire the Share Acquisition Rights and otherwise carry out the Transactions.

- As stated above, it can be concluded that specific measures have been taken on various aspects to secure an objective situation aimed at the fairness of the terms of the Transactions, and the interests of Company shareholders have been adequately respected through the fair procedures.
4. Findings on Matters Consulted (d) (whether, based on (a) through (c) above, the decision by the board of directors to carry out the Transactions (if a tender offer is carried out in the Transactions, including a statement of opinion regarding such tender offer) is not detrimental to the minority shareholders of the Company)

Based on the following, and considering 1 through 3 above, at present, it is thought to be suitable that a resolution by the board of directors of the Company to support the Tender Offer and recommend that the shareholders of the Company and the Share Acquisition Rights Holders accept the Tender Offer, and it is thought that the decision of the board of directors of the Company to carry out the Transactions (if a tender offer is carried out in the Transactions, including a statement of opinion regarding such tender offer) is not detrimental to the minority shareholders of the Company.

- Based upon 1. The purpose of the Transactions being considered to be reasonable (the Transactions contribute to the improvement of the corporate value of the Company); 2. The appropriateness of the terms of the Transactions being considered to have been ensured; and 3. fairness being considered to have been ensured in the procedures for the Transactions, it is currently thought to be suitable that a resolution by the board of directors of the Company supporting the Tender Offer and recommending that the shareholders of the Company and the Share Acquisition Rights Holders tender their shares and share acquisition rights in the Tender Offer be passed, and that it would not be detrimental to the minority shareholders of the Company, and no particular circumstances have been found at present that are contrary to this. Therefore, the Transactions are thought to not be detrimental to the minority shareholders of the Company.

(ii) Advice to the Company from an independent law firm

The Company appointed Anderson Mori & Tomotsune as its legal advisor independent of the Offeror, C&D, and Ms. Hasegawa, to give legal advice including advice on measures to ensure fairness of procedures for the Transactions, procedures for the Transactions, and the decision-making process and methods of the Company in relation to the Transactions.

Anderson Mori & Tomotsune is not a related party of the Offeror, C&D, Ms. Hasegawa, or the Company, and has no material interest in relation to the Transactions including the Tender Offer. The Special Committee approved the appointment as legal advisor after confirming there were no issues with the independence or expertise of Anderson Mori & Tomotsune. The remuneration to be paid to Anderson Mori & Tomotsune does not include a contingency fee to be paid conditional on the consummation of the Transactions.

(iii) Obtainment of a share valuation report from an independent third-party appraiser by the Company

As stated in “(3) Matters Regarding the Valuation” above, in order to ensure fairness in the decision-making process at the Company’s board of directors in relation to the Transactions, including the Tender Offer, the Company engaged

SBI Securities as a third-party appraiser that is independent of the Offeror, C&D, Ms. Hasegawa and the Company, to evaluate the share price of the Company Shares and received the Company Share Valuation Report dated March 27, 2024. SBI Securities is not a related party of the Offeror, C&D, Ms. Hasegawa, or the Company, and has no material interest in the Transactions (including the Tender Offer) that needs to be stated. At the second meeting of the Special Committee, having approved SBI Securities as a third-party appraiser based on the fact that there are no issues with the independence or expertise of SBI Securities, the Special Committee also confirmed that it has no objections to receiving expert advice as necessary from SBI Securities.

For an overview of the Company Share Valuation Report, please refer to “(3) Matters Regarding the Valuation” above.

(iv) Establishment of an independent examination system in the Company

As stated in “(iii) Decision-making process and reasons leading to the Company’s endorsement of the Tender Offer” in “(2) Grounds and Reasons for Opinion” above, the Company established a system within the Company to examine, negotiate, and make a judgment on the Tender Offer (including the scope of officers and employees of the Company involved in the examination, negotiation, and judgment of the Tender Offer and their duties) from a standpoint that is independent of the Offeror, C&D, and Ms. Hasegawa. Specifically, from the standpoint of eliminating structural conflicts of interest, on June 22, 2023 the Company decided not to allow Ms. Hasegawa to be involved in the negotiation process, examination, and judgements concerning the Transactions between the Company and the Offeror, including the Tender Offer Purchase Price, etc. and such treatment is ongoing. Also, at the first meeting of the Special Committee convened on September 7, 2023, the Company received approval from the Special Committee that there are no problems with such review system from the viewpoint of independence and fairness.

(v) Approval of all disinterested directors of the Company (including Audit and Supervisory Committee members)

The Company passed a resolution at its board of directors meeting held today, with unanimous approval of all 7 of the 8 directors who participated in the deliberations and resolutions, to express its opinion that it is currently in support of the Tender Offer and to recommend that all shareholders and Share Acquisition Right Holders of the Company tender their Company Shares and Share Acquisition rights in the Tender Offer, as stated in “(iii) Decision-making process and reasons leading to the Company’s endorsement of the Tender Offer” in “(2) Grounds and Reasons for Opinion” above, as a result of careful discussions and review of the various terms of the Tender Offer by the Offeror based on the legal advice obtained from Anderson Mori & Tomotsune regarding the decision-making process and methods and other notable matters in relation to the Transactions, the contents of the Company Share Valuation Report, and the Report received from the Special Committee.

As described above, according to the Offeror, based on discussions with the relevant bank, the Offeror is aiming to commence the Tender Offer around late April 2024; however, it is difficult to predict the exact timing of the opening of the bank account.

Against this background, the Company has resolved that, at the time of the commencement of the Tender Offer, it will (i) ask the Special Committee established by the Company to consider whether or not there are any changes to its opinion stated in the Report and to inform the Board of Directors of, the fact that there is no change, if there is no change; or its revised opinion, if there are any changes; and (ii) based on such opinion of the Special Committee, make another statement of opinion with respect to the Tender Offer upon the commencement of the Tender Offer.

At the above board of directors meeting, among the directors of the Company, Ms. Hasegawa, who is the largest shareholder of the Company and has entered into the Tender Agreement with the Offeror, did not participate in any discussions or resolution concerning the deliberation of the Transactions, nor has she had any involvement whatsoever in discussions and negotiations with the Offeror in connection with the Transactions representing the Company, from the perspective of eliminating as much as possible the possibility of such decisions being affected by any conflict of interest issues and ensuring the fairness of the Transactions.

(vi) Measures to ensure an opportunity to purchase by other offerors

The Offeror has not entered into any agreement with the Company that would restrict an opportunity for competing offerors to contact the Company, such as an agreement that contains a transaction protection clause that prohibits the Company from having contact with competing offerors. The Offeror has also set a long tender offer period of 30 Business Days rather than the minimum 20 Business Days required by law. Setting a long tender offer period compared to the minimum period required by law will ensure an adequate opportunity for shareholders of the Company to make a decision on tendering their shares in the Tender Offer, as well as ensuring an opportunity for persons other than Offeror to purchase the Company Shares, thereby giving consideration to ensuring the fairness of the Tender Offer.

4. Matters Concerning Material Agreements Relating to the Tender Offer

The Offeror has entered into the Tender Agreement with Ms. Hasegawa, pursuant to which Ms. Hasegawa will tender all the Company Shares (390,900 shares, ownership ratio: 39.06%) she owns in the Tender Offer (all the Company Shares owned by Ms. Hasegawa: the “**Subject Shares**”) and not withdraw such tender. In addition, the Offeror and Ms. Hasegawa have agreed on the following matters in the Tender Agreement.

- (i) From the execution date until the commencement date of settlement, Ms. Hasegawa (x) shall not, directly or indirectly, enter into any transaction or arrangement (a “**Competing Transaction**”) that would substantially conflict with the Transactions or make the execution of the Transactions difficult (including but not limited to any transfer, creation of collateral or any other disposal of the Subject Shares, or grant of any proxies, powers of attorney, rights of first offer or refusal in respect of the Subject Shares) or any agreement relating to any Competing Transaction, (y) shall not make any proposal, solicitation, negotiation, or information provision concerning any Competing Transaction nor take any actions that cooperate with any Competing Transaction, and (z) if Ms. Hasegawa receives any proposal, solicitation, solicitation, consultation or any other proposal made by a third party with respect to any Competing Transaction, shall immediately notify the Offeror to that effect and of the details of such proposal. In addition, Ms. Hasegawa shall not acquire the shares of the Company after the execution date, regardless of the manner (whether on-market purchases or not) and reason.
- (ii) If Ms. Hasegawa is entitled to exercise her voting rights at any general meeting of shareholders of the Target to be held during the period from the execution date to the commencement date of settlement, where any agenda relating to (x) any Competing Transaction, (y) dividends or other disposition of surplus or (z) any matter that, if approved, would materially affect or be reasonably expected to materially affect financial condition, results of operation, cash flow, business, assets, liabilities or future financial plan or prospects is submitted (whether through a shareholder proposal or otherwise), then Ms. Hasegawa shall exercise its voting rights against such agenda.
- (iii) If the Tender Offer and its settlement is successfully completed and a general meeting of shareholders of the Company is held after the commencement date of settlement with the record date falling on or before the commencement date of settlement, Ms. Hasegawa shall, at the request of the Offeror, (x) grant to the Offeror or the person designated by the Offeror a comprehensive proxy for exercise of all voting rights at such general meeting of shareholders on the Subject Shares or (y) exercise voting rights on such Subject Shares at such general meeting of shareholders in accordance with the instructions of the Offeror. In the event of (x) above, Ms. Hasegawa shall, by the date reasonably designated by the Offeror, sign and seal a power of attorney to grant such comprehensive proxy, deliver such power of attorney to the Offeror, and Ms. Hasegawa shall in no event revoke the grant of such power of attorney. In the event of (y) above, Ms. Hasegawa shall exercise all voting or other rights pertaining to such Subject Shares at such general meeting of shareholders, in accordance with the instructions of the Offeror, and shall take such steps (if any) as may be necessary to properly reflect the Offeror’s intention to such exercise.
- (iv) Ms. Hasegawa shall continue to serve as the Representative Director and President of the Company after the

date hereof, and if the Tender Offer is successfully completed, shall submit to the Company, at such timing as requested by the Offeror, a resignation letter (in form and substance reasonably satisfactory to the Offeror) to the effect that Ms. Hasegawa resigns from Director and Representative Director of the Company.

- (v) During the period from the execution date to the date the Offeror becomes the sole shareholder of record of the Company, Ms. Hasegawa shall make reasonable efforts as Representative Director and shareholder of the Company: (x) to cause the Company to conduct its business within the scope of its ordinary business of the Company in accordance with the customary practice, except for matters expressly set forth in the Tender Agreement and matters agreed in writing in advance by the Offeror; and (y) to cause the Company not to take certain actions without the prior written consent of the Offeror.
  - (vi) As the Representative Director and shareholders of the Company, Ms. Hasegawa shall and shall cause the Company to (x) cooperate, from the execution date and until the commencement date of settlement, toward the commencement and successful completion of the Tender Offer and for the execution of the Tender Offer and (y) after the commencement date of settlement, cooperate for the Squeeze-out Procedures, including the holding of an extraordinary general meeting of shareholders of the Company.
  - (vii) Ms. Hasegawa shall after the successful completion of the Tender Offer and on the same date as Ms. Hasegawa's resignation from the Director and Representative director of the Company pursuant to item (iv) above enter into an advisory agreement with the Company and the Offeror in form and substance reasonably satisfactory to the Offeror and Ms. Hasegawa, pursuant to which Ms. Hasegawa will serve as advisor to the Company for 3 years from such date.
  - (viii) Ms. Hasegawa shall not, from the execution date, exercise the right to request a general meeting of shareholders of the Company (Article 297 of the Companies Act), the right to propose an agenda (Article 303, paragraphs 1 and 2 of the Companies Act), the right to submit a proposal (Article 304 and Article 305, paragraph 1 of the Companies Act) or any other shareholder rights without the prior written consent of the Offeror.
  - (ix) In addition, it is agreed that: (x) Ms. Hasegawa shall indemnify the Offeror against any losses incurred by the Offeror as a result of or in connection with any breach of Ms. Hasegawa's representation and warranty or obligation under the Tender Agreement (Note 5); and (ii) the Offeror shall indemnify Ms. Hasegawa for any losses incurred by Ms. Hasegawa arising from or in connection with any breach of the Offeror's representation and warranty or obligation under the Tender Agreement (Note 6).
- (Note 5) Ms. Hasegawa makes representations and warranties in the Tender Agreement with respect to (i) legal capacity, (ii) enforceability, (iii) permits and approvals, (iv) non-conflict with laws and regulations, (v) non-existence of insolvency proceedings, (vi) antisocial forces, and (vii) rights on Subject Shares. In addition, Ms. Hasegawa also makes representations and warranties in the Tender Agreement with respect to the Company (establishment and existence, non-conflict with laws and regulations, permits and approvals, shares, non-existence of subsidiaries and affiliates, financial statements, annual securities reports, compliance with laws and regulations, information security and data protection, contracts, assets, intellectual property rights, insurance, taxes, labor matters, litigation, transaction with Ms. Hasegawa, absence of relationship with antisocial forces, compliance with anti-corruption laws and regulations, accuracy of disclosed information, and absence of insider information).
- (Note 6) The Offeror makes representations and warranties in the Tender Agreement with respect to (i) legal capacity, (ii) due authorization, (iii) enforceability, (iv) permits and approvals, (v) non-conflict with laws and regulations, and (vi) non-existence of insolvency proceedings.

There is no condition precedent to Ms. Hasegawa's obligations to tender her shares in the Tender Agreement, and there is no agreement with Ms. Hasegawa in relation to the Tender Offer other than the Tender Agreement, and Offeror has not granted any benefit to Ms. Hasegawa in relation to the Transaction other than the consideration for the



Company Shares tendered by Ms. Hasegawa in the Tender Offer. As mentioned in “(iii) Management Policy After the Tender Offer” of “(2) Background Leading to the Decision to Implement the Tender Offer, Purpose and Decision-Making Process of the Tender Offer, and Management Policy After the Tender Offer” of “3. Purpose of the Tender Offer” above, Ms. Hasegawa intends to assume the role of an advisor of the Company after the completion of the Tender Offer, and although C&D and Ms. Hasegawa are to discuss the specific terms and conditions of this proposal, there is a possibility that there will be certain compensation, etc. from C&D, the Offeror or the Company in connection with such provision of advisory services.

5. Details of Benefits Received from the Offeror or Special Associated Persons of the Offeror

Not applicable

6. Response Policy Pertaining to the Basic Policy Regarding Control of the Company

Not applicable

7. Questions to the Offeror

Not applicable

8. Requests for Extension of the Tender Offer Period

Not applicable

9. Outlook

See “(ii) Background, purpose, and decision-making process leading to the decision by Offeror to conduct the Tender Offer” in “(2) Grounds and Reasons for Opinion,” “(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters relating to the “Two-Step Acquisition”),” and “(5) Likelihood of Delisting and Reasons Therefor” in “3. Details of, and Grounds and Reasons for, the Opinion Regarding Tender Offer” above.

10. Other Matters

Not applicable

(Reference) Please refer to “Announcement Regarding Planned Commencement of Tender Offer for Shares Etc. of Graphico, Inc. (Securities Code: 4930)”.

End

[Restrictions on Solicitation]

This press release is to announce the declaration of opinion of the Company regarding the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell shares or share options. If shareholders wish to make an offer to sell their shares or share options, they should first be sure to carefully read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis of any agreement pertaining to the Tender Offer or be relied upon in the event of the execution of any such agreement.

[U.S. Regulations]

The Tender Offer will be conducted in compliance with the procedures and information disclosure standards set out in the Act, but those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the Tender Offer is not subject to Section 13(e) or Section 14(d) of the

United States Securities Exchange Act of 1934 (as amended, the “**United States Securities Exchange Act of 1934**”) or the rules set out thereunder, and the Tender Offer will not be conducted in line with those procedures or standards. All of the financial data included in this press release is not equivalent to the financial information of a company in the United States. The Offeror and the Company are corporations that have been established outside of the United States and some or all of the directors of the Offeror and the Target reside outside of the United States, so it may be difficult to exercise any rights or make any demands under the federal securities laws of the United States. It also may be impossible to commence legal proceedings against a corporation or an individual person that is based outside of the United States in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. Additionally, the jurisdiction of a United States court over a corporation or an individual person that is based outside of the United States, or subsidiaries or affiliates of such a corporation may not be recognized.

Unless otherwise provided, all of the procedures concerning the Tender Offer will be conducted in the Japanese language. All or some of the documents related to the Tender Offer are prepared in the English language, and if there is a discrepancy between that English language document and the corresponding Japanese language document, the Japanese language document will prevail.

The Offeror, financial advisors of the Offeror and the Company, and the tender offer agent (including affiliates thereof) might, before the commencement of the Tender Offer or during the purchase period of the Tender Offer Period, purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of shares of the Company on its own account or the account of its client to the extent permitted by Japanese laws related to financial instruments transactions and other applicable laws and regulations in the scope of its ordinary business and in accordance with the requirements of Rule 14e-5(b) of the United States Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on a website of the person that conducted that purchase (or by another disclosure method).

[Forward-looking Statements ]

This press release includes Statements that constitute “forward-looking statements” as defined in Section 27A of the Securities Act of 1933 of the United States and Section 21E of the United States Securities Exchange Act of 1934 are included in this Statement. There may be a significant difference between actual results and the express or implied predictions, etc. made as “forward-looking statements” due to known or unknown risks, uncertainties, and other factors. None of the Offeror and their affiliates guarantees that any express or implied prediction, etc. made as a “forward-looking statements” will ultimately be correct. The “forward-looking statements” in this press release have been prepared based on information that is available to the Offeror as of today, and unless required by applicable laws or regulations, none of the Offeror, and any of their affiliates has an obligation to update or correct those statements in order to reflect future events or circumstances.

[Other Countries ]

Some countries or regions may impose legal restrictions on the announcement, issue, or distribution of this press release. In such cases, please take note of such restrictions and comply therewith. The announcement, issue, or distribution of this press release shall not constitute a solicitation of an offer to sell or an offer to buy share certificates, etc. relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.

March 28, 2024

To whom it may concern

Company Name	Graphico, Inc.
Name of Representative	Sumiyo Hasegawa, [Representative Director, President and Chief Executive Officer] (Tokyo Stock Exchange Standard Market; Code: 4930)
Contact	Shotaro Enami, [Director, CFO and General Manager of Administration Division]
Telephone	03-5759-5077

Company Name	Church & Dwight Japan LLC
Name of Representative	Church & Dwight Co., Inc., Representative Member Michael Read, Operating Officer

**Announcement Regarding Planned Commencement of Tender Offer for Graphico, Inc. (Securities Code: 4930) by Church & Dwight Japan LLC**

This is to announce that Church & Dwight Japan LLC has issued today its press release “Announcement Regarding Planned Commencement of Tender Offer for Graphico, Inc. (Securities Code: 4930)” attached to this announcement.

This press release is issued at the request of Church & Dwight Japan LLC (the tender offeror) to Graphico, Inc. (the target company in the tender offer) pursuant to Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act.

(Attachment)

“Announcement Regarding Planned Commencement of Tender Offer for Shares Etc. of Graphico, Inc. (Securities Code: 4930)” dated March 28, 2024.

March 28, 2024

To whom it may concern

Company Name	Church & Dwight Japan LLC
Name of Representative	Church & Dwight Co., Inc., Representative Member
	Michael Read, Operating Officer

**Announcement Regarding Planned Commencement of Tender Offer  
for Shares Etc. of Graphico, Inc. (Securities Code: 4930)**

Church & Dwight Japan LLC (the “**Offeror**”) hereby announces that it has decided on March 28, 2024 to acquire the common shares (the “**Target Shares**”) and the Share Acquisition Rights (as defined in “(2) Share Acquisition Rights” of “2. Class of Shares, Etc. to be Purchased”) of Graphico, Inc. (listed on the Standard Market of the Tokyo Stock Exchange; Securities Code: 4930; the “**Target**”) through a tender offer (the “**Tender Offer**”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “**Act**”).

The Offeror is a godo kaisha (limited liability company under the laws of Japan) incorporated on March 13, 2024 for the purpose of acquiring, etc. the Target Shares and the Share Acquisition Rights of the Target through the Tender Offer. As of today, Church & Dwight Co., Inc. (“**C&D**”), which has its business operations headquarters at Ewing, New Jersey, U.S.A., and is engaged in household consumer goods manufacturer and distributor business, owns all of its equity in the Offeror. As of today, the Offeror and C&D do not own any Target Shares.

On March 28, 2024, the Offeror has decided on its plan to commence the Tender Offer as part of a series of transactions aimed at delisting the Target Shares by acquiring all the Target Shares (including the Target Shares which will be issued upon exercise of the Share Acquisition Rights and excluding treasury shares owned by the Target) and the Share Acquisition Rights.

For the implementation of the Tender Offer, on March 28, 2024, the Offeror has entered into a tender agreement (the “**Tender Agreement**”) with Sumiyo Hasegawa (“**Ms. Hasegawa**”), Representative Director, President and Chief Executive Officer and the largest and major shareholder of the Target, pursuant which Ms. Hasegawa will tender all the Target Shares (390,900 shares; ownership ratio (Note): 39.06%) she owns in the Tender Offer and not withdraw such tender in case the Tender Offer is commenced.

(Note) “Ownership ratio” means the ratio to the number of shares (1,000,778 shares) calculated by deducting the number of treasury shares (122) owned by the Target as of December 31, 2023 as stated in the “Unconsolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 2024 (Japanese GAAP) published by the Target on February 14, 2024 from the total number of issued shares as of December 31, 2023 (938,540 shares) as stated in the “Quarterly Securities Report for the Second Quarter of the 28th Fiscal Year” filed by the Target on February 14, 2024, (938,418 shares), and adding the number of Target Shares to be issued upon the exercise of the Share Acquisition Rights as of December 31, 2023 (62,360 shares) (rounded to two decimal places).

In connection with the Tender Offer, in order for the Offeror to enter into an agreement with Nomura Securities Co., Ltd., which plans to assume the position of the tender offer agent (the “**Tender Offer Agent**”) concerning the agency and administrative services in connection with the tender offer (which agreement is required to commence the Tender Offer), C&D has been proceeding with the procedures to open a bank account of the Offeror (a godo kaisha (limited liability company under the laws of Japan) incorporated on March 13, 2024) as requested by the Tender Offer Agent. However, according to the explanation of the bank at which the Offeror plans to open its bank account, the bank account has not been opened as of today, as it took time to complete the procedures required for the know-your-customer procedures for the Offeror. While the Offeror and C&D cannot immediately commence the Tender Offer, the Offeror and C&D are aware that Target has already announced that it will publish a mid-term business plan as part of its efforts to meet the listing maintenance requirements of the Standard Market of the Tokyo Stock Exchange by the end of March 2024. In light of this situation, the Offeror and C&D have determined that the Target’s shareholders would be confused if the Target were to announce to its shareholders its efforts to maintain the listing when the Offeror, C&D and the Target already reached an agreement on the tender offer price in the Tender Offer, and within a short period of time thereafter, the Tender Offer were to be announced as part of a series of transactions aimed at delisting the Target Shares. The Offeror and C&D have therefore decided to announce today their plan to commence the Tender Offer as part of a series of transactions aimed at delisting the Target Shares. The Offeror and C&D plan to commence the Tender Offer promptly upon completion of the opening of the bank account. As of today, based on discussions with the relevant bank, the Offeror is aiming to commence the Tender Offer around late April 2024. However, since it is difficult to predict the exact timing of the opening of the bank account, the Offeror will announce the specific schedule of the Tender Offer as soon as it is determined. If the expected timing of the commencement of the Tender Offer is changed, the Offeror will promptly announce the change.

The outline of the Tender Offer is as follows.

1. Name of the Target  
Graphico, Inc.
2. Class of Shares to Be Purchased
  - (1) Common shares
  - (2) Share Acquisition Rights (the share acquisition rights in (i) through (v) below, collectively, the “**Share Acquisition Rights**”)
    - (i) The 1st series share acquisition rights issued pursuant to the resolution at the extraordinary general meeting of shareholders of the Target held on June 17, 2014 (the “**1st Series Share Acquisition Rights**”)
    - (ii) The 2nd series share acquisition rights issued pursuant to the resolution at the extraordinary general meeting of shareholders of the Target held on December 25, 2014 (the “**2nd Series Share Acquisition Rights**”)
    - (iii) The 3rd series share acquisition rights issued pursuant to the resolution at the extraordinary general meeting of shareholders and the resolution at the board of directors meeting of the Target, both held on October 15, 2015 (the “**3rd Series Share Acquisition Rights**”)
    - (iv) The 4th series share acquisition rights issued pursuant to the resolution at the extraordinary general meeting of shareholders of the Target held on October 15, 2015 and the resolution at the board of directors meeting of the Target held on

May 13, 2016 (the “**4th Series Share Acquisition Rights**”)

- (v) The 5th series share acquisition rights issued pursuant to the resolution at the extraordinary general meeting of shareholders and the resolution of the board of directors meeting of the Target, both held on May 31, 2019 (the “**5th Series Share Acquisition Rights**”)

3. Tender Offer Period

In connection with the Tender Offer, it took time to open the bank account of the Offeror as requested by the Tender Offer Agent in order for the Offeror to enter into an agreement with the Tender Offer Agent concerning the agency and administrative services in connection with the tender offer (which agreement is required to commence the Tender Offer). The Offeror plans to commence the Tender Offer promptly upon completion of the opening of the bank account. As of today, based on discussions with the relevant bank, the Offeror is aiming to commence the Tender Offer around late April 2024. However, since it is difficult to predict the exact timing of the opening of the bank account, the Offeror will announce the specific schedule of the Tender Offer as soon as it is determined. If the expected timing of the commencement of the Tender Offer is changed, the Offeror will promptly announce the change. The Offeror plans to set the tender offer period in the Tender Offer (the “**Tender Offer Period**”) at 30 business days.

4. Purchase Price

- (1) JPY 3,800 per common share
- (2) Share Acquisition Rights
  - (i) 62,840 yen per 1st Series Share Acquisition Right
  - (ii) 46,000 yen per 2nd Series Share Acquisition Right
  - (iii) 46,000 yen per 3rd Series Share Acquisition Right
  - (iv) 46,000 yen per 4th Series Share Acquisition Right
  - (v) 2,250 yen per 5th Series Share Acquisition Right

5. Number of Share Certificates, Etc. to be Purchased

Number of Share Certificates, Etc. to be purchased	Minimum number of Share Certificates, Etc. to be purchased	Maximum number of Share Certificates, Etc. to be purchased
1,000,778 shares	667,200 shares	— shares

(Note) Since the “Number of Share Certificates, Etc. to be purchased” and “Minimum number of Share Certificates, Etc. to be purchased” are tentative numbers determined based on the information as of today, the actual “Number of Share Certificates, Etc. to be purchased” and “Minimum number of Share Certificates, Etc. to be purchased” in the Tender Offer may differ from the numbers set out above due to subsequent changes in the total number of issued shares and the number of treasury shares owned by the Target. The Offeror will determine the final “Number of Share Certificates, Etc. to be purchased” and “Minimum number of Share Certificates, Etc. to be purchased” before the commencement of the Tender Offer based on the latest information available at the time of commencement of the Tender Offer.

6. Commencement Date of Settlement

The commencement date of settlement will be announced as soon as the specific schedule and other details of the Tender Offer are determined.

7. Tender Offer Agent

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

For more details on the Tender Offer, please refer to the press release “Announcement of Opinion in Support of the Planned Commencement of the Tender Offer by Church & Dwight Japan LLC for the Company’s Shares, Etc. and Recommendation to Tender Shares Etc.” issued by the Target on March 28, 2024.

End of Document

[Restrictions on Solicitation]

This press release is to announce to the public the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell shares or share options. If shareholders wish to make an offer to sell their shares or share options, they should first be sure to carefully read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis of any agreement pertaining to the Offer or be relied upon in the event of the execution of any such agreement.

[U.S. Regulations]

The Tender Offer will be conducted in compliance with the procedures and information disclosure standards provided under the Financial Instruments and Exchange Act of Japan, and those procedures and standards are not always the same as those applicable in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the “**U.S. Securities Exchange Act of 1934**”) or the rules under these sections apply to the Tender Offer; therefore, the Tender Offer is not conducted in accordance with those procedures or standards. All of the financial information included or referred to in this press release and reference materials of this press release are those based on Japanese accounting standards and may not be equivalent or comparable to the financial statements prepared pursuant to the accounting standards in the U.S. or other countries. In addition, because the Offeror is a corporation incorporated outside the United States and some or all of its officers are non-U.S. residents, it may be difficult to exercise rights or demands against them which arise pursuant to U.S. securities laws. It also may be impossible to bring an action against a corporation that is based outside of the United States or its officers in a court outside of the United States on the grounds of a violation of U.S. securities laws. Furthermore, there is no guarantee that a corporation that is based outside of the United States or its subsidiaries or affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court.

All procedures regarding the Tender Offer will be, unless stated otherwise, conducted in Japanese. All or part of the documents regarding the Tender Offer will be prepared in English; however, if there is any discrepancy between the documents in English and those in Japanese, the documents in Japanese shall prevail.

Before the commencement of the Tender Offer or during the purchase period of the Tender Offer, the Offeror, the financial advisors of the Offeror and the Company, the tender offer agent, and the affiliates of each of the foregoing might purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of the common shares of the Company on their own account or the account of their client to the extent permitted by Japanese legislation related to financial instruments transactions and other applicable laws and regulations in the scope of their ordinary business and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. If information regarding such a purchase is disclosed in Japan, the person that conducted that purchase will disclose such information in English on the website of such person.

[Forward-looking Statements]

This press release includes forward-looking statements as defined in Section 27A of the U.S. Securities Act of 1933 (as amended, the “**U.S. Securities Exchange Act of 1933**”) and Section 21E of the U.S. Securities Exchange Act of 1934. The actual results may be significantly different from the predictions expressly or implicitly indicated in the forward-looking statements, due to



known or unknown risks, uncertainties, or other factors. The Offeror or its affiliates cannot promise that the predictions expressly or implicitly indicated as the forward-looking statements will turn out to be correct. The forward-looking statements included in this press release were prepared based on the information held by the Offeror as of the date of this press release, and unless obligated by laws or regulations, the Offeror or its affiliates shall not be obligated to update or revise the statements to reflect future incidents or situations.

[Other Countries]

Some countries or regions may impose legal restrictions on the announcement, issue, or distribution of this press release. In such cases, please take note of such restrictions and comply therewith. The announcement, issue, or distribution of this press release shall not constitute a solicitation of an offer to sell or an offer to buy share certificates, etc. relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.