



September 24, 2025

Company name: **Paramount Bed Holdings Co., Ltd.**
 Representative: Tomohiko Kimura, President and Chief Executive Officer
 (Securities code: 7817 TSE Prime)
 Contact: Toshiyuki Hatta, Member of the Board
 TEL: 03-3648-1100

Notice Regarding the Implementation of MBO and Recommendation to Tender

Paramount Bed Holdings Co., Ltd. (the “Company”) hereby announces that at the meeting of the Company’s Board of Directors held today, the Company resolved, as set forth below, to express an opinion in support of a tender offer (the “Tender Offer”) for the common shares of the Company (the “Company Shares”) by TMKR Co., Ltd. (the “Offeror”) as part of a series of transactions (the “Transaction”) for the purpose of a so-called management buyout (MBO) (Note), and to recommend that the Company’s shareholders tender their shares in the Tender Offer.

The foregoing Board of Directors resolution was made on the assumption that the Company Shares are expected to be delisted through the Tender Offer and subsequent series of procedures.

(Note) A “management buyout (MBO)” generally refers to a transaction in which the management of a target company, by contributing all or part of the acquisition funds, acquires shares of the target company, on the premise that the business of the target company will be continued.

1. Outline of the Offeror

(1)	Name	TMKR Co., Ltd.
(2)	Address	14-5, Higashisuna 2-chome, Koto-ku, Tokyo
(3)	Name and title of representative	Representative Director Tomohiko Kimura
(4)	Description of business	Acquire and hold the Company’s shares, and after the Tender Offer is successfully completed, control and manage the Company’s operations
(5)	Capital	50,000 yen
(6)	Date of incorporation	August 29, 2025
(7)	Principal shareholder and shareholding ratio	CTOK Co., Ltd. 100%
(8)	Relationship between the Company and the Offeror	
	Capital relationship	There is no capital relationship between the Offeror and the Company that should be disclosed. Mr. Tomohiko Kimura (“Mr. Tomohiko Kimura”), the President and Representative Director of the Offeror, owns 1,780,701 Company Shares (Note 1) (Shareholding Ratio (Note 2): 3.17%).
	Personnel relationship	Mr. Tomohiko Kimura, the Representative Director of the Offeror, is also serving as the President and Chief Executive Officer of the Company.
	Transactional relationship	N/A

	Status as a related party	N/A
--	---------------------------	-----

(Note 1) The 1,780,701 Company Shares held by Mr. Tomohiko Kimura includes 31,803 Restricted Shares for the Officers and Employees (as defined below). Further, as of today, Mr. Tomohiko Kimura indirectly holds 208 Company Shares (rounded down to the nearest whole number), which corresponds to Mr. Tomohiko Kimura's interest held through the shareholding association of the Company's officers (the "Shareholding Association of the Company Officers"), but such Company Shares are not included in the number of shares held by Mr. Tomohiko Kimura, as they are not directly held by him; hereinafter the same applies with respect to Mr. Tomohiko Kimura's shares.

(Note 2) "Shareholding Ratio" refers to the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of the Shareholding Ratio) calculated by dividing the number of shares (56,088,912 shares; the "Standard Number of Shares") obtained by deducting the number of treasury shares held by the Company as of June 30, 2025 (1,533,017 shares; hereinafter the same applies to treasury shares held by the Company) from the total number of issued and outstanding shares as of June 30, 2025 (57,598,692 shares), both as stated in the "Summary of Consolidated Financial Results for the First Quarter Ended March 2026 (Based on Japanese GAAP)" published by the Company on July 30, 2025, resulting in 56,065,675 shares, and adding the number of the restricted shares (consideration) (23,237 shares) related to the disposal of treasury shares conducted by the Company on July 25, 2025.

2. Purchase Price

3,530 yen per common share (the "Tender Offer Price")

3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof

(1) Details of the opinion

At the meeting of the Board of Directors held on September 24, 2025, pursuant to the basis and reasons described in "(2) Basis and Reasons for the Opinion" below, the Company resolved to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

This resolution of the Board of Directors was made in the manner described in "(V) Unanimous approval of all disinterested directors (including directors who are audit and supervisory committee members) of the Company" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below.

(2) Basis and reasons for the opinion

This portion of "(2) Basis and reasons for the opinion" that pertains to the Offeror is based on explanations given by the Offeror.

(I) Outline of the Tender Offer

The Offeror is a stock company established on August 29, 2025 by Mr. Tomohiko Kimura (number of shares held: 1,780,701 shares, Shareholding Ratio: 3.17%, the fifth largest shareholder of the Company), for the principal purpose of obtaining and holding the Company Shares listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "TSE") as of today through the Tender Offer. As of today, Mr. Tomohiko Kimura's asset management company, CTOK Co., Ltd. (number of shares held: 4,266,300 shares, Shareholding Ratio: 7.61%, the second largest shareholder of the Company; "CTOK") owns all of the shares of the Offeror, and Mr. Tomohiko Kimura is the Representative Director of the Offeror. As of today, the Offeror owns no Company Shares.

The Offeror decided to implement the Tender Offer on September 24, 2025, as part of the Transaction with the purpose of privatizing the Company Shares listed on the Prime Market of the TSE by acquiring all of the Company Shares (including the Company's restricted shares issued to the Company and the officers and employees of its subsidiaries as restricted shares (consideration) (the "Restricted Shares for the Officers and Employees") and the Company's restricted

shares issued as the Company's restricted share incentives to the employee shareholding association of the Company (the "Shareholding Association of the Employees") as Restricted Stock Incentives (the "Restricted Shares for the Shareholding Association of the Employees" and collectively with the Restricted Shares for the Officers and Employees, the "Restricted Shares"), and excluding the treasury shares held by the Company and Non-Tendered Shares (as defined below)).

The Transaction constitutes a so-called management buyout ("MBO"). Mr. Tomohiko Kimura and his relative, Mr. Yosuke Kimura, who is the Executive Vice President of the Company ("Mr. Yosuke Kimura"), plan to continue managing the Company after the Transaction. As of today, the Offeror has not entered into any agreement with any other officers of the Company regarding their appointments as officers after the Tender Offer. The details of the Company's management structure, including the composition of its officers after this Transaction, will be determined through discussions with the Company following the consummation of this Transaction.

Upon carrying out the Tender Offer, the Offeror entered into non-tender agreements (the "Non-Tender Agreements") dated September 24, 2025, with each of (i) Mr. Tomohiko Kimura (number of shares held: 1,780,701 shares, Shareholding Ratio: 3.17%; the fifth largest shareholder of the Company), (ii) CTOK (number of shares held: 4,266,300 shares, Shareholding Ratio: 7.61%; the second largest shareholder of the Company), (iii) WISE LIGHT Co., Ltd., an asset management company of Mr. Tomohiko Kimura (number of shares held: 1,375,700 shares, Shareholding Ratio: 2.45%; "WISE LIGHT"), (iv) LAPIS LAZULI Co., Ltd., an asset management company of Mr. Tomohiko Kimura (number of shares held: 1,375,700 shares, Shareholding Ratio: 2.45%; "LAPIS LAZULI"), (v) Mr. Kenji Kimura, a relative of Mr. Tomohiko Kimura (number of shares held (Note 3): 1,728,512 shares, Shareholding Ratio: 3.08%; the sixth largest shareholder of the Company; "Mr. Kenji Kimura"), (vi) LLAGE WOOD Co., an asset management company of Mr. Yosuke Kimura (number of shares held: 4,146,000 shares, Shareholding Ratio: 7.39%; the third largest shareholder of the Company; "LLAGE WOOD"), and (vii) SION Co., Ltd., an asset management company of Mr. Yosuke Kimura (number of shares held: 1,375,700 shares, Shareholding Ratio: 2.45%; "SION"), and each of the foregoing parties has agreed not to tender any of their Company Shares (number of shares held: 16,048,613 shares in total, Shareholding Ratio: 28.61% in total) in the Tender Offer, and in the event the Tender Offer is successfully consummated, following completion of the settlement of the Tender Offer, to vote in favor of, at the Shareholders' Meeting (as defined in "(5)Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning 'two-step acquisition')" below; hereinafter the same), all proposals relating to the series of procedures to make the Offeror, Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, and Mr. Kenji Kimura the only shareholders of the Company and privatize the Company Shares (the "Squeeze-Out Procedures"). In addition, under the Non-Tender Agreement with Mr. Tomohiko Kimura, it has been agreed that, following the completion of settlement of the Tender Offer, Mr. Tomohiko Kimura will make a capital investment in the Offeror and acquire the Offeror's common shares (Note 4), and under the Non-Tender Agreement with Mr. Kenji Kimura, it has been agreed that, following the completion of settlement of the Tender Offer, Mr. Kenji Kimura will make a capital investment in the Offeror and acquire the Offeror's Class A preferred shares (Note 5) (collectively, the "Investment"). Further, under the Non-Tender Agreements with CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura, LLAGE WOOD, and SION, it has been agreed that, upon request of the Offeror prior to the effective date of the share consolidation of Company Shares (the "Share Consolidation") to be conducted as part of the Squeeze-Out Procedures pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") (the "Share Consolidation"), they will lend all of their Company Shares to Mr. Tomohiko Kimura without consideration (the "Stock Lending Transaction"). Moreover, under the Non-Tender Agreements with LLAGE WOOD and SION, as well as with CTOK, WISE LIGHT, and LAPIS LAZULI, it has been agreed that, if the Stock Lending Transaction is executed, the Stock Lending Transaction will be terminated after the Share Consolidation becomes effective, and the Company will acquire (i) all of the Company Shares held by LLAGE WOOD and SION, (ii) from among the Company Shares held by CTOK, the number of the Company Shares that would be equivalent to 1,088,930 shares as of immediately prior to the effectiveness of the Share Consolidation, (iii) from among the Company Shares held by WISE LIGHT, the number of Company Shares that would be equivalent to 980,037 shares as of immediately prior to the effectiveness of the Share Consolidation, and (iv) from among the Company Shares held by LAPIS LAZULI, such number of Company Shares that

would be equivalent to 1,161,525 shares as of immediately prior to the effectiveness of the Share Consolidation (the “Company Shares Repurchase”, and the price for such Company Shares Repurchase, the “Company Shares Repurchase Price”) (Note 6).

- (Note 3) The 1,728,512 Company Shares held by Mr. Kenji Kimura include 12,118 Restricted Shares for the Officers and Employees, and will be included in the Non-Tendered Shares (as defined below) but due to the transfer restrictions attached to those shares, such shares are not subject to the agreement of the Stock Lending Transaction. Further, as of today, Mr. Kenji Kimura indirectly holds 31 Company Shares (rounded down to the nearest whole number), which corresponds to Mr. Kenji Kimura’s interest held through the Shareholding Association of the Company Officers, but such Company Shares are not included in the number of shares held by Mr. Kenji Kimura, as they are not directly held by him; hereinafter the same applies with respect to Mr. Kenji Kimura’s shares.
- (Note 4) The valuation of the Company Shares, which will serve as the basis for determining the per-share subscription price of the common shares to be acquired by Mr. Tomohiko Kimura through the Investment, is planned to be set at 3,530 yen per share (however, in the case that a share consolidation is implemented as part of the Squeeze-Out Procedures, a formal adjustment is planned to be made based on the consolidation ratio for the Company Shares in the share consolidation), which is the same price as the Tender Offer Price, and there is no intention to issue shares at a discounted price. Since the subscription price per the Offeror’s common shares to be paid by Mr. Tomohiko Kimura will not be set on terms that are substantially more favorable than the Tender Offer Price, it is considered that this does not contravene the purpose of the single set of conditions regulations (Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended; “FIEA”); hereinafter the same).
- (Note 5) The Class A preferred shares that Mr. Kenji Kimura is scheduled to acquire through the Investment are class shares that are defined as non-voting shares which are also entitled to receive dividends on surplus in priority over common shares. Furthermore, the Offeror believes that since (i) although the Class A preferred shares are scheduled to be prescribed to receive dividends on surplus in priority over common shares, whether such dividends will be paid or not is expected to be determined on each occasion based on the Company’s management and financial condition after the Transaction as well as on market trends, and (ii) the valuation of the Company Shares, which will serve as the basis for determining the per-share subscription price of the Class A preferred shares, is planned to be set at 3,530 yen per share (however, in the case that a share consolidation is implemented as part of the Squeeze-Out Procedures, a formal adjustment is planned to be made based on the consolidation ratio for the Company Shares in the share consolidation), which is the same price as the Tender Offer Price, and there is no plan to issue shares at a discounted price, and the subscription price per share of the Offeror’s Class A preferred shares by Mr. Kenji Kimura will not be set on terms that are substantially more favorable than the Tender Offer Price, this does not contravene the purpose of the single set of conditions regulations.
- (Note 6) Although there is a possibility that the Company Shares Repurchase will be carried out after the Share Consolidation becomes effective and before approval for exemption from the obligation to submit a securities report, since it will be after the Company Shares have been delisted and shares after delisting does not fall under “listed share certificates, etc.” (as defined under Article 24-6, Paragraph (1) of the FIEA, Article 4-3 of the Enforcement Order) which falls under the target scope of self-tender offer (meaning a tender offer as defined under Article 27-22-2 of the FIEA; hereinafter the same), the Offeror does not plan on conducting a self-tender offer. Furthermore, the Company Shares Repurchase Price is expected to be 2,755 yen per Company Share before the Share Consolidation becomes effective. This price is set so that after-tax proceeds which may be obtained if the Company Shares Repurchase is conducted, is the same or lower than the after-tax proceeds if LLAGE WOOD, SION, CTOK, WISE LIGHT and LAPIS LAZULI had tendered their shares in the Tender Offer, taking into account the application of the regulation for excluding deemed dividend from gross profits. The Company Shares Repurchase was proposed by the

Offeror to LLAGE WOOD, SION, CTOK, WISE LIGHT and LAPIS LAZULI from the perspective of balancing both the maximization of the tender offer price and the fairness among shareholders.

The Offeror entered into tender agreements (the “Tender Agreement (Founding Family Agreed Tendering Shareholders)”) dated September 24, 2025, with each of (i) Mr. Yosuke Kimura (number of shares held (Note 7): 753,378 shares, Shareholding Ratio: 1.34%), (ii) Mr. Kyosuke Kimura, who is a relative of Mr. Tomohiko Kimura (number of shares held (Note 8): 1,724,802 shares, Shareholding Ratio: 3.08%; the seventh largest shareholder of the Company; “Mr. Kyosuke Kimura”), (iii) Ms. Chieko Kimura, who is a relative of Mr. Tomohiko Kimura (number of shares held: 67,698 shares, Shareholding Ratio: 0.12%), (iv) Ms. Kazue Kimura, who is a relative of Mr. Tomohiko Kimura (number of shares held: 67,684 shares, Shareholding Ratio: 0.12%), (v) Ms. Maiko Koga, who is a relative of Mr. Tomohiko Kimura (number of shares held: 234,800 shares, Shareholding Ratio: 0.42%), and (vi) Mr. Shigenori Koga (number of shares held: 18,000 shares, Shareholding Ratio: 0.03%; collectively, the “Founding Family Agreed Tendering Shareholders”) and each of the foregoing parties has agreed to tender all of their Company Shares (number of shares held: 2,866,362 shares in total, Shareholding Ratio: 5.11% in total; the “Founding Family Agreed Tendered Shares”) in the Tender Offer.

Further, the Offeror respectively entered into a tender/non-tender agreement (the “Tender/Non-Tender Agreement”) dated September 24, 2025 with (i) Mr. Michihide Kimura, who is a relative of Mr. Tomohiko Kimura as well as a special advisor of the Company (number of shares held: 1,718,232 shares, Shareholding Ratio: 3.06%, the eighth largest shareholder of the Company; “Mr. Michihide Kimura”) and (ii) RAMOON Co., Ltd., which is the asset management company of Mr. Michihide Kimura (number of shares held: 6,704 shares, Shareholding Ratio: 0.01%; “RAMOON”, and collectively with Mr. Michihide Kimura, “Mr. Michihide Kimura Related Shareholders”), respectively, whereby it has been agreed that, 904,484 shares (Note 9) (Shareholding Ratio: 1.61%) of the 1,724,936 Company Shares owned by Mr. Michihide Kimura Related Shareholders will be tendered in the Tender Offer and the remaining 820,452 shares (Note 10) (Shareholding Ratio: 1.46%; the “Mr. Michihide Kimura Related Shareholders’ Non-Tendered Shares”) will not be tendered in the Tender Offer, and that in the event the Tender Offer is successfully consummated, to vote in favor of each proposal relating to the Squeeze-Out Procedures at the Shareholders’ Meeting. Mr. Michihide Kimura Related Shareholders’ Non-Tendered Shares are expected to be a fraction of less than one share as a result of the Share Consolidation to be implemented as part of the Squeeze-Out Procedures.

In addition, the Offeror entered into a tender agreement (the “Tender Agreement (Kimura Nursing Foundation)”) dated September 24, 2025, with the Kimura Foundation for Nursing Education (Note 11) (number of shares held: 701,200 shares, Shareholding Ratio: 1.25%, the “Kimura Nursing Foundation”) whereby the Kimura Nursing Foundation has agreed to tender all of the Company Shares it owns (“Kimura Nursing Foundation Agreed Tendered Shares”) in the Tender Offer, and to reinvest in the Offeror the entire amount of consideration to be received in exchange for tendering Kimura Nursing Foundation Agreed Tendered Shares in the Tender Offer (excluding, if taxes and expenses applicable to the Kimura Nursing Foundation arise, the amount thereof) following the completion of settlement of the Tender Offer, the Kimura Nursing Foundation and subscribe to the Offeror’s subordinated bonds (Note 12) (the “Foundation Reinvestment”).

(Note 7) Of the 775,022 Company Shares owned by Mr. Yosuke Kimura (Shareholding Ratio: 1.38%), 216,44 Restricted Shares for the Officers and Employees (Shareholding Ratio: 0.04%) are not included in the number of shares 753,378 shares (Shareholding Ratio: 1.34%) since such shares have transfer restrictions attached and cannot be tendered in the Tender Offer, and are not included in the Founding Family Agreed Tendered Shares. Further, as of today, Mr. Yosuke Kimura indirectly owns 72 Company Shares (rounded down to the nearest whole number), which corresponds to Mr. Yosuke Kimura’s interest held through the Shareholding Association of the Company Officers, but such Company Shares are not included in the number of shares owned by Mr. Yosuke Kimura, as they are not directly owned by him.

(Note 8) Mr. Kyosuke Kimura indirectly owns 31 Company Shares as of today (rounded down to the nearest whole number), which corresponds to Mr. Kyosuke Kimura’s interest owned through the Shareholding Association of the Company Officers, but such Company Shares are not included in the number of shares owned by Mr. Kyosuke Kimura, as they are not directly owned by him.

- (Note 9) The 904,484 shares consist of 897,832 shares (Shareholding Ratio: 1.60%) owned by Mr. Michihide Kimura and 6,652 shares (Shareholding Ratio: 0.01%) owned by RAMOON.
- (Note 10) The 820,452 shares consist of 820,400 shares (Shareholding Ratio: 1.46%) owned by Mr. Michihide Kimura and 52 shares (Shareholding Ratio: 0.00%) owned by RAMOON.
- (Note 11) The Kimura Foundation for Nursing Education was established by Mr. Ryusuke Kimura, who is a relative of Mr. Tomohiko Kimura in March 1991, and became a public interest incorporated foundation in April 2011; Mr. Kenji Kimura serves as the representative director as of today. The purpose of the foundation is to provide grants necessary to enhance and improve nursing care education and nursing care practices as medical science and medical treatment advance in Japan, thereby contributing to developing workers engaging in nursing care services, and the foundation is providing overseas nursing care training grants, nursing care research grants, and a Certified Nurse Specialist scholarship and giving nursing care-related lectures.
- (Note 12) The terms of the subordinated bonds that the Kimura Nursing Foundation is scheduled to acquire through the Foundation Reinvestment are expected to be determined by the Offeror, in consultation with the Kimura Nursing Foundation, based on a level that enables the Kimura Nursing Foundation to receive annual interest payments equivalent to the of annual dividend amount it previously received from the Company.

As described above, with respect to the Tender Offer, the Offeror has agreed (a) with Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura, LLAGE WOOD, SION, and Mr. Michihide Kimura Related Shareholders (collectively, “Non-Tendering Shareholders”), to not tender the total of 16,869,065 Company Shares (Shareholding Ratio: 30.08% in total; “Non-Tendered Shares”) which they own in the Tender Offer, and (b) with the Founding Family Agreed Tendering Shareholders, Mr. Michihide Kimura Related Shareholders, and the Kimura Nursing Foundation, to tender the total of 4,472,046 Company Shares (Shareholding Ratio: 7.97% in total; “Tender Agreement Shares”) which they own in the Tender Offer.

For details of the Non-Tender Agreement, the Tender Agreement (Founding Family Agreed Tendering Shareholders), the Tender/Non-Tender Agreement, and the Tender Agreement (Kimura Nursing Foundation), please refer to “4. Material agreements relating to the Tender Offer” below.

In the Tender Offer, the Offeror has set the minimum number of shares to be purchased at 20,486,500 shares (Shareholding Ratio: 36.53%) and if the total number of shares tendered in the Tender Offer (“Tendered Shares”) does not meet this minimum number of shares to be purchased (20,486,500 shares), the Offeror will not purchase etc. any of the Tendered Shares. On the other hand, since the purpose of the Tender Offer is to privatize the Company by acquiring all the Company Shares (excluding the treasury shares owned by the Company and Non-Tendered Shares), no maximum number of shares to be purchased has been set, and if the total number of Tendered Shares is no less than the minimum number of shares to be purchased, the Offeror will purchase etc. all of the Tendered Shares. The minimum number of shares to be purchased is the number obtained by first multiplying the number of voting rights (560,889) attached to the Standard Number of Shares by two-thirds (rounded up to the nearest whole number, which comes to 373,926), then subtracting the total number of voting rights (371) attached to the number of Restricted Shares (Note 13) owned by Company directors (37,145 shares in total, Shareholding Ratio: 0.07%) (Note 14) and the number of voting rights attached to the Non-Tendered Shares (168,690) (which comes to 204,865 voting rights) and multiplying by 100, which is the number of shares per unit of the Company’s shares (which comes to 20,486,500 shares). The reason for setting the minimum number of shares to be purchased in this manner is that the Offeror intends, through the Tender Offer, to privatize the Company Shares, and in implementing the Share Consolidation procedures described in “(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning ‘two-step acquisition’)” below, a special resolution of a shareholders’ meeting as set forth in Article 309, Paragraph 2 of the Companies Act must be obtained. Accordingly, in order to ensure the execution of the Transaction, the Offeror has set the minimum number of shares to be purchased so that, after the Tender Offer is completed, the Offeror and the Non-Tendering Shareholders will own at least two-thirds of the total voting rights of all shareholders of the Company.

(Note 13) To enable Restricted Shares for the Shareholding Association of the Employees to be tendered in the Tender

Offer, at the meeting of the Company's Board of Directors held today, with respect to the January 27, 2023 allotment agreement and the September 18, 2024 allotment agreement executed between the Company and the Shareholding Association of the Employees concerning the Restricted Shares for the Shareholding Association of the Employee, the Company resolved to support the Tender Offer and recommend its shareholders to tender their shares in the Tender Offer if a tender offer for Company Shares is commenced during the restricted period set forth in each agreement, and if transfer restrictions are maintained, to execute an amendment to each allotment agreement to lift such transfer restrictions. Therefore, the Restricted Shares for the Shareholding Association of the Employees will be able to be tendered in the Tender Offer.

(Note 14) With respect to the Restricted Shares for the Officers and Employees, since such shares are subject to transfer restrictions, they cannot be tendered in the Tender Offer; however, at the meeting of the Company's Board of Directors held today, a resolution was adopted to express an opinion in support of the Tender Offer on the premise that the Company will be delisted. At the time of such resolution, directors (the two directors of four applicable directors other than Mr. Tomohiko Kimura and Mr. Yosuke Kimura (number of shares held: 15,501 shares in total, Shareholding Ratio: 0.03% in total)) to whom the Restricted Shares for the Officers and Employees had been allocated exercised their voting rights in favor thereof. Accordingly, it is expected that, in the event the Tender Offer is successfully completed, such directors will support the Squeeze-Out Procedures (Mr. Yosuke Kimura, one of Company directors, has orally agreed with the Offeror to vote in favor of all proposals relating to the Squeeze-Out Procedures at a shareholders' meeting of the Company), and therefore, in determining the minimum number of shares to be purchased, the number of voting rights attached to the Restricted Shares for the Officers and Employees owned by Company directors has been subtracted.

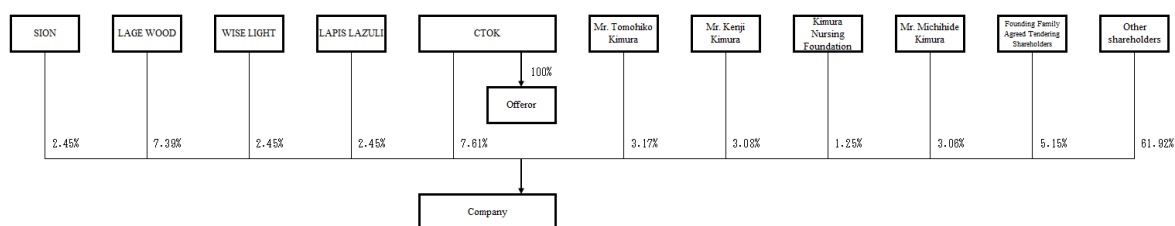
If, even after the Tender Offer has been successfully completed, the Offeror is not able to acquire all of the Company Shares (excluding the treasury shares owned by the Company and Non-Tendered Shares are excluded) through the Tender Offer, the Offeror plans to implement Squeeze-Out Procedures after the successful completion of the Tender Offer.

In the event the Tender Offer is successfully completed, the Offeror plans to secure the necessary funds for settling the Tender Offer by borrowing up to a maximum of 141,626 million yen from Mizuho Bank, Ltd. ("Mizuho Bank") by no later than the business day immediately before the commencement date of settlement (the "Bank Loan"). The specific terms and conditions of the Bank Loan will be determined separately through discussions with Mizuho Bank and will be stipulated in the loan agreement related to the Bank Loan; however, under the loan agreement for the Bank Loan, the Company Shares acquired by the Offeror through this Transaction will be pledged as collateral, and after the completion of the Squeeze-Out Procedures, certain assets of the Company are also expected to be pledged as collateral. Further, the Offeror has received from Sumitomo Mitsui Banking Corporation (hereinafter "Sumitomo Mitsui Bank") a commitment letter addressed to the Offeror and Mizuho Bank stating that, following the initial drawdown of the Bank Loan, Sumitomo Mitsui Bank will acquire certain claims and contractual positions relating to the Bank Loan. Accordingly, Sumitomo Mitsui Bank has been appointed as a co-arranger in respect of the Bank Loan.

The following charts illustrate the structure of the Transaction, and the overview of the Transaction is substantially explained as follows.

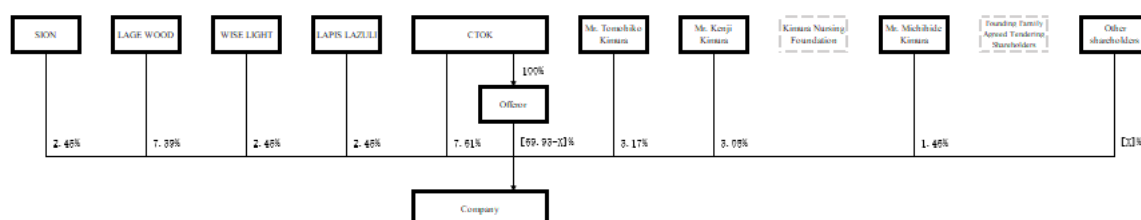
I. Before the Execution of the Tender Offer (current situation)

As of today, the Non-Tendering Shareholders (excluding Mr. Michihide Kimura Related Shareholders) holds 16,048,613 Company Shares (Shareholding Ratio: 28.61%), Founding Family Agreed Tendering Shareholders hold 2,888,006 Company Shares (Shareholding Ratio: 5.15%), Mr. Michihide Kimura Related Shareholders hold 1,724,936 Company Shares (Shareholding Ratio: 3.08%), the Kimura Nursing Foundation holds 701,200 Company Shares (Shareholding Ratio: 1.25%), and other shareholders hold the remaining 34,726,157 Company Shares (Shareholding Ratio: 61.91%).



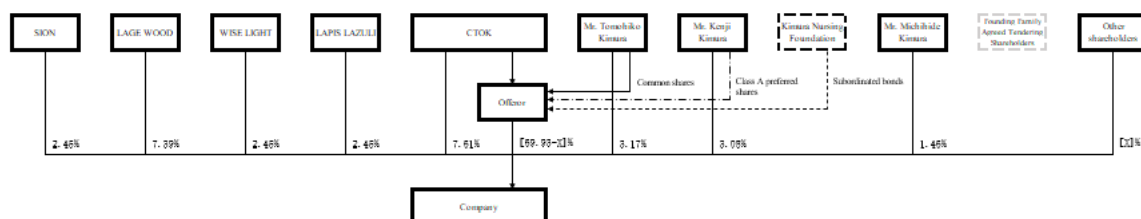
II. Tender Offer

Since the purpose of the Tender Offer is to privatize the Company, the Offeror has set a minimum number of shares to be purchased (20,486,500 shares), and if the total number of Tendered Shares does not meet this minimum, the Offeror will not purchase, etc. any of the Tendered Shares. Further, there is no maximum number of shares to be purchased, and if the total number of Tendered Shares is no less than the minimum number of shares to be purchased, all the Tendered Shares will be purchased.



III. Investment and Foundation Reinvestment

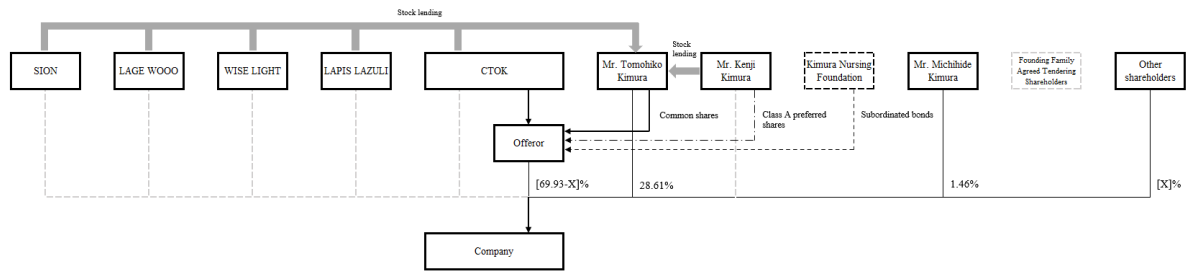
After the completion of the settlement for the Tender Offer, Mr. Tomohiko Kimura will invest in the Offeror by subscribing to the Offeror's common shares, and Mr. Kenji Kimura will invest in the Offeror by subscribing to the Offeror's Class A preferred shares. Additionally, after the completion of the settlement for the Tender Offer, the Kimura Nursing Foundation will reinvest in the Offeror by subscribing to the Offeror's subordinated bonds.



IV. Stock Lending Transaction

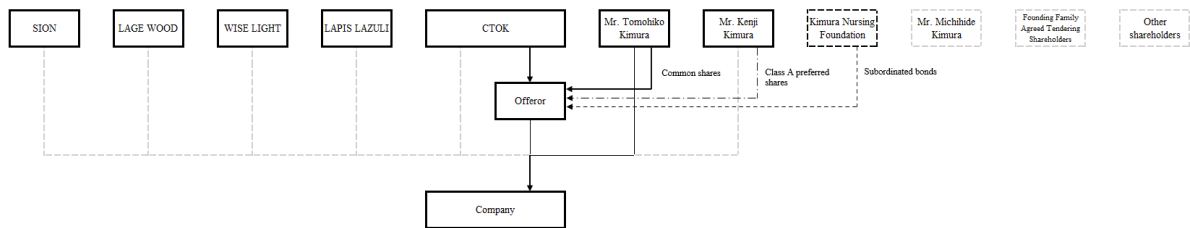
After completion of the Investment and Foundation Reinvestment, the Offeror intends to avoid, to the extent possible, immediately before the Share Consolidation becomes effective, there being any Company shareholders, other than the Offeror and Mr. Tomohiko Kimura, who hold a number of Company Shares equal to or greater than the smaller of the number of the Company Shares held by either the Offeror and Mr. Tomohiko Kimura. To enhance the stability of the Squeeze-Out Procedures, if deemed necessary by the Offeror, Mr. Tomohiko Kimura may borrow from the Non-

Tendering Shareholders (excluding Mr. Tomohiko Kimura and Mr. Michihide Kimura Related Shareholders) without consideration all Company Shares they own, prior to the effectiveness of the Share Consolidation.



V. Implementation of Share Consolidation

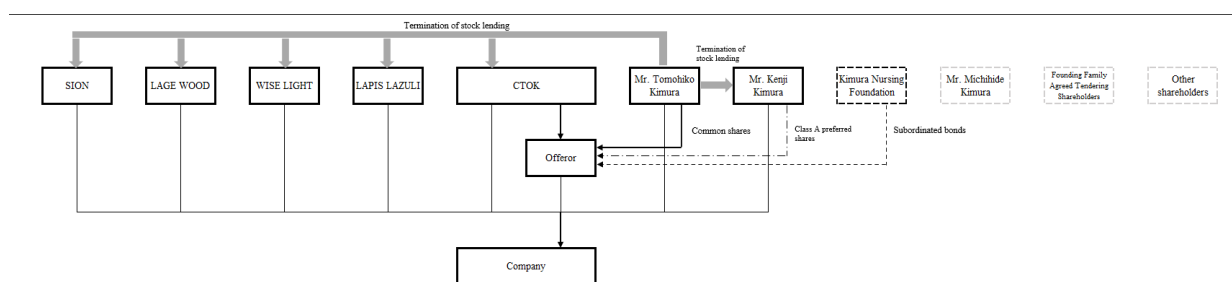
After the successful completion of the Tender Offer, the Offeror will request the Company to implement the Squeeze-Out Procedures, and if the Stock Lending Transaction is carried out, after the Stock Lending Transaction takes effect, the Offeror will implement the Share Consolidation to make the Offeror and Mr. Tomohiko Kimura the only shareholders of the Company.



VI. Termination of Stock Lending Transaction

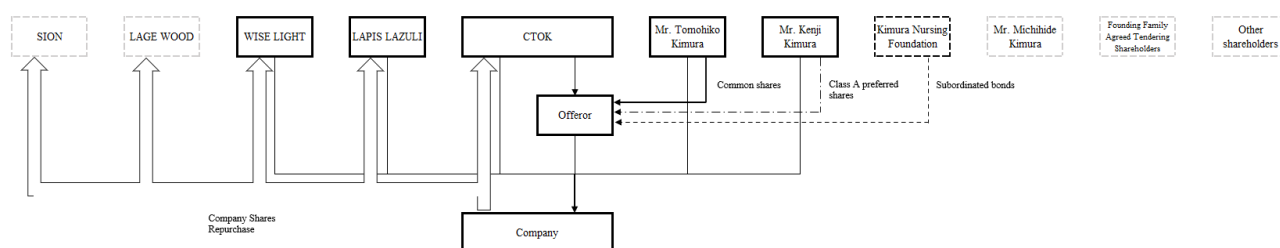
If the Stock Lending Transaction is carried out, after the Share Consolidation take effect, the Stock Lending Transaction will be terminated, and Mr. Tomohiko Kimura, the borrower in the Stock Lending Transaction, will return all borrowed Company Shares to the Non-Tendering Shareholders (excluding Mr. Tomohiko Kimura and Mr. Michihide Kimura Related Shareholders).

Furthermore, to enable Mr. Tomohiko Kimura to return Company Shares equivalent in value to the Company Shares he borrowed, the Offeror intends to request the Company to split Company Shares based on a record date and ratio separately designated by the Offeror. However, the specific conditions, schedule, and other details remain undetermined as of today.



VII. Company Shares Repurchase

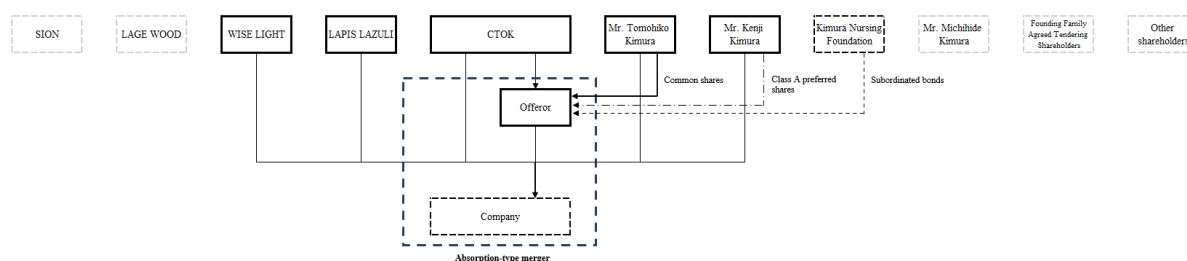
If the Stock Lending Transaction is carried out, following the termination of the Stock Lending Transaction, the Company will acquire all the Company Shares held by LAGE WOOD and SION, respectively, as well as the number of shares equivalent to 1,088,930 shares of the Company Shares held by CTOK immediately prior to the effectiveness of the Share Consolidation, the number of shares equivalent to 980,037 shares of the Company Shares held by WISE LIGHT immediately prior to the effectiveness of the Share Consolidation, and the number of shares equivalent to 1,161,525 shares of the Company Shares held by LAPIS LAZULI immediately prior to the effectiveness of the Share Consolidation.



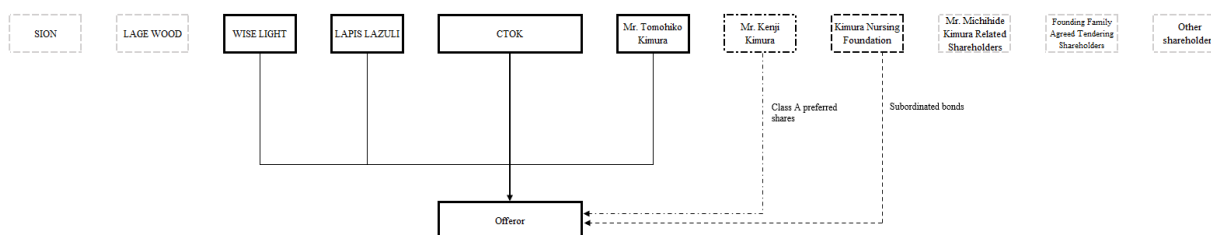
VIII. Merger

The Offeror intends to conduct an absorption-type merger (the “Merger”) promptly after the completion of Company Shares Repurchase, with the Offeror as the surviving company and the Company as the absorbed company. The Offeror’s shareholders are planned to be limited to Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, and Mr. Kenji Kimura. The specific details, including the schedule, remain undetermined as of today. Following the Merger, of the Company’s shareholders prior to the Merger, Mr. Tomohiko Kimura, CTOK, WISE LIGHT, and LAPIS LAZULI are expected to hold the Offeror’s common shares, while Mr. Kenji Kimura is expected to hold the Offeror’s Class A preferred shares.

Before the Merger



After the Merger



(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer

The Company received from the Offeror the following explanations on the background and purposes of the Tender Offer and the decision-making process leading to the implementation of the Tender Offer.

The Company was founded in May 1947 when founder Mr. Ryusuke Kimura, established the business as a sole proprietorship and began manufacturing hospital beds. The Company was established as Kimura Kosan Co., Ltd. in October 1982 with the purpose of managing shares of Kimura Shindai Industry Co., Ltd., the predecessor of the Company's wholly owned subsidiary, Paramount Bed Co., Ltd. Further, Kimura Shindai Industry Co., Ltd., was founded in May 1950 by the company's founder, Mr. Ryusuke Kimura, for the purpose of manufacturing and selling hospital beds and it changed its trade name to Paramount Bed Co., Ltd. in March 1987. The shares of Paramount Bed Co., Ltd., were registered on the Tokyo Over-the-Counter (OTC) market in December 1987, listed on the Second Section of the TSE in December 1993, and on the First Section of the TSE in September 1996.

Thereafter, Kimura Kosan Co., Ltd., the predecessor of the Company, changed its trade name to the current Paramount Bed Holdings Co., Ltd. in February 2011. In October of the same year, through a share exchange with Paramount Bed Co., Ltd., Paramount Bed Co., Ltd. became its wholly owned subsidiary, and the Company Shares were listed on the TSE in the same month. Following the recent market restructuring at the TSE, the Company has been listed on the Prime Market of the TSE since April 4, 2022.

As of today, the business activities of the Company Group (meaning the Company, its 19 subsidiaries, and one affiliate; hereinafter the same) are primarily conducted by Paramount Bed Co., Ltd., which manufactures and sells medical and nursing care beds, mattresses, hospital room furniture, and medical equipment, etc.; Paratechno Co., Ltd., which provides services such as inspection, repair, disinfection, and maintenance leasing for beds and mattresses; and Paramount Care Service Co., Ltd., which is engaged in wholesale rental of welfare equipment renting out a variety of welfare equipment, including Paramount Bed products, to welfare rental operators. On April 1, 2020, the Company Group formulated the "Paramount Vision 2030" (the "Long Term Vision"), which outlines the vision for 2030, with the slogan "Smiles for everyone from medical and nursing care to health field", and aims to contribute to the healthcare field as well by building on its technology and knowledge acquired over many years in the medical and nursing care field. The business outline of the Company Group is as follows:

(a) Medical Care Business

The Company Group manufactures and sells beds, mattresses, hospital room furniture, and medical equipment used in medical sites such as highly acute care (Note 1) facilities including lifesaving emergency units and ICUs, as well as in general acute care (Note 2), chronic care (Note 3), and recovery-phase rehabilitation (Note 4). They also provide maintenance services for sold products and consulting services to ensure safer use of the products. Specific consulting services include in-facility work support and patient satisfaction improvement support (on-site services) and the Company Group also provide assistance for hospital management through services such as the "Smart Bed System",

which streamlines the recording of vital signs (Note 5) and monitoring of a patient's condition, contributing to the reduction of nursing duties, "nursing assistant services (Note 6)"; "maintenance of beds with stationed services (Note 7)", "concierge services (Note 8)", "medical equipment maintenance and management services (Note 9)".

(Note 1) "Highly acute care" refers to an environment providing particularly intensive medical care to patients in the acute phase, aimed at achieving early stabilization of their condition.

(Note 2) "General acute care" refers to an environment providing medical care to patients in the acute phase, aimed at achieving early stabilization of their condition.

(Note 3) "Chronic care" refers to an environment for long-term medical care.

(Note 4) "Recovery-phase rehabilitation" refers to an environment providing medical care and rehabilitation services to facilitate the return to home care of patients who have passed the acute phase.

(Note 5) "Vital signs" refer to signs of life or indicators of fundamental physical states vital to life, such as body temperature, pulse, respiration, and blood pressure.

(Note 6) "Nursing assistant services" refer to tasks such as bed cleaning and bed making, serving and clearing of meals, serving tea, and checking the inventory of supplies in hospital wards.

(Note 7) "Maintenance of beds with stationed services" refer to bed and equipment maintenance, centralized inventory management, etc.

(Note 8) "Concierge services" refer to services such as guiding patients using special hospital rooms to their ward and room, helping with inpatient life, etc.

(Note 9) "Medical equipment maintenance and management services" refer to medical equipment collection, cleaning, and inspection; entrusted call center services, repairs, regular inspection work, or other services for equipment made by medical equipment manufacturers in Japan and abroad.

(b) Nursing Care Business

The Company manufactures and sells beds, mattresses, and transfer aids used in elder care facilities such as special nursing homes, health and welfare facilities for the elderly, fee-based nursing homes, and also for home care, and also engages in the wholesale rental of welfare equipment to lending operators, commonly known as the welfare equipment rental wholesale business. The Company Group contributes to improving users' care environments and enhancing operational efficiency for care providers, who face significant challenges with staffing shortages, by providing the Company's cloud-based monitoring support system "Nemuri CONNECT (Note 10)" and its core product, the body movement sensor "Nemuri SCAN (Note 11)", for sale or rental and providing various tools, equipment, and services essential for operating nursing care facilities.

(Note 10) "Nemuri CONNECT" refers to a monitoring support system that enables the centralized management of information such as hours slept, heart rate, body weight, and elimination of persons receiving care, and which can be easily shared among managers and staff.

(Note 11) "Nemuri SCAN" is a tool that enables the remote checking of whether a user is sleeping or awake, when they wake up and fall asleep, respiratory rate, and the like simply by placing the device under the mattress. It reduces the burden on nursing care workers while ensuring the safety of residents, especially when monitoring them through the night, etc.

(c) Health Promotion Business

The Company Group has developed and sold products such as electric beds, mattresses, and pillows that enable better sleep, leveraging insights accumulated over many years of research on "sleep" at the Paramount Bed Sleep Research Institute (Note 12), with a focus on developing medical and nursing care beds and mattresses and by doing so, has supported the health and an individual's way of life. Furthermore, they plan to expand their "sleep tech" services, which utilize technology to solve sleep problems.

(Note 12) The Paramount Bed Sleep Research Institute refers to the specialized sleep research and development division established by Paramount Bed Co., Ltd. in 2009.

(d) Overseas Expansion

The Company Group operates the above-mentioned businesses (a) to (c) not only in Japan but also through local offices in Southeast Asia including Indonesia, Thailand, Vietnam and Singapore, and China and India. The Company Group has also established a regional HQ company Paramount Bed Asia Pacific Pte. Ltd. in Singapore, and is focusing on the Asian region as a promising market predicted to have particularly increasing needs in the future.

Since its establishment in May 1947, not only has the Company Group been improving the care environment in the medical and nursing sector, but the Company Group has also been providing products and services to improve operations for medical and nursing care professionals. In recent years, the Company has responded to social changes and has been diversifying its business and increasing the scale and activities of its business by expanding into welfare equipment wholesale rental and maintenance services. Currently, the Company Group is focusing on the following core strategies in the second phase (from FY March 2024 to FY March 2027) of the medium-term management plan (the “Medium-Term Management Plan”; For details, please see “Notification on Medium-Term Management Plan” dated May 14, 2025 announced by the Company) under its Long Term Vision: “expansion of recurring revenue business”, “advancement of health promotion business,” and “leap forward in key areas in Asia”.

Regarding the business environment in the relevant medical and nursing care fields for the Company Group, the Company Group understands that although aging is inevitably proceeding in 2025 when all baby boomers reach the age of 75 or older in Japan, the number of hospital beds itself is expected to decrease due to increasing cost of social security becoming an issue and the government’s basic policy of “from hospital to home”. Furthermore, the Company Group believes that a challenging environment for the management of medical and elderly care facilities in Japan will continue, due to ongoing labor shortages, as well as persistently high costs for utilities and materials. On the other hand, demand is expected to grow for products and systems that help reduce the burden on nursing and care staff, as well as investments in highly acute care fields, among others. The home care market is expected to expand further as the country’s population continues to age. Additionally, it is anticipated that the environment will continue to undergo significant changes in the future in the sense that creation of new value and innovation are accelerating in the healthcare industry due to growing trends among businesses and individuals to pay more attention to individual health, against the backdrop of decreasing working-age population, work style reforms, as well as increasing use of AI, IT, and data-driven businesses.

The Company is aware that further development of medical infrastructure is expected overseas, especially in Asia, along with economic growth. The Company also recognizes that China is expected to experience population aging at a faster pace than Japan.

Under these circumstances, the Company believes that, to adapt to the aforementioned business environment and future market changes, it must shift away from a revenue model reliant on one-time sale of medical and nursing care beds, mattresses, and similar products, and instead, must further expand recurring businesses (Note 13) that continuously provide value such as rental and leasing, system usage fees for cloud-based monitoring support systems in the nursing care business, and contracted nursing support services in medical facilities (nursing assistant services, maintenance of beds with stationed services, concierge services, and medical equipment maintenance and management services described in (a) above) in medical care business while strengthening relationship with customers. In the health business in Japan, where a decline in the working-age population is unavoidable, it is crucial to extend healthy life expectancy (Note 14) and to curb the increase in the number of people receiving medical and nursing care. Thus, the Company is working so that the health business, as a business with high social contribution value, will become a third pillar following its medical and nursing care business. On the other hand, while the Company enjoys high name recognition as a manufacturer of beds for medical and nursing care facilities, it faces the challenge of low recognition of its health-related products. The Company believes that going forward, it must enhance recognition of its products and businesses and develop products and services contributing to building a better sleep environment that appeal to individual consumers.

To implement these measures, the Company recognizes that it is essential not only to manufacture and sell products,

but also to invest in the expansion of recurring business, to develop various applications and software that automatically record information on patients and residents and visualize their status to reduce burdens in medical and nursing care settings, and that it is important to acquire such resources through proactive M&As.

Furthermore, regarding overseas expansion, the Company believes that, going forward, it is required to build a globally competitive organization, and that this will be achieved by acquiring specialized personnel with immediate operational capabilities locally in regions centering around China where a declining birthrate and aging population are expected to progress and Asia where market expansion can be expected as medical standards rise to match those of developed nations.

(Note 13) “Recurring business” means a revenue model that continuously provides value to specific customers or users and receives consideration in return, which is different from a one-time sale business model where the transaction ends upon the sale of a product or service.

(Note 14) “Healthy life expectancy” refers to the period during which one can live without restrictions on daily life due to health issues.

Mr. Tomohiko Kimura believes that, given these circumstances, it will be difficult for the Company Group to achieve sustainable growth by merely continuing to develop its existing businesses as before. Specifically, he believes that implementing the following measures will enable the Company Group to further enhance its corporate value.

(i) Expanding investment in healthcare and nursing care services

Mr. Tomohiko Kimura anticipates an increase in investment in products and systems to reduce the burden on nursing and care staff as well as in high-acuity care fields. Within the care market, he believes that a certain level of up-front investment will be necessary in services enabling efficient care, such as Nemuri SCAN and Nemuri CONNECT, and in development related to systems, and in the establishment of maintenance bases in welfare equipment rental wholesale business. Furthermore, since he anticipates that advancing recurring business will increase contact points with customers and lead to product development, he is considering encouraging the Company Group to make proactive investment. In addition, within Japan, the severe labor shortage due to talent outflow to other industries necessitates leveraging of technology and promotion of DX (Note 15).

(Note 15) “DX” stands for “Digital Transformation,” which refers to leveraging data and digital technology to create new business models and transform existing businesses.

(ii) Expansion of brand strength through product development and promotion enhancement in the health promotion business

In the health promotion business, the Company Group’s product lineup is currently limited, and it is positioned as a late entrant in the market. Therefore, Mr. Tomohiko Kimura believes that it is necessary to build the Company Group’s product development and services from the ground up. While he does not anticipate major capital expenditures, he considers investment in the expansion of brand strength through product development and promotion enhancement to be essential. Although this approach may currently have negative results from the perspective of short-term cash flow and profitability, he believes it is necessary to focus on these areas as he considers market expansion is anticipated in the future.

Mr. Tomohiko Kimura anticipates that medical infrastructure will expand alongside economic growth in overseas countries centering around Asia. Given that China is projected to experience accelerated aging at a faster pace than Japan in the future, he intends to focus the Company Group’s efforts on this field as a promising area for market growth, including making up-front investments.

On the other hand, Mr. Tomohiko Kimura believes that, as long as the Company remains listed, management must be mindful of shareholders and the market, requiring consideration for securing and distributing short-term profits. He thinks that this makes it difficult to implement mid-to-long-term measures that would entail up-front investments that could potentially lead to deterioration in short-term cash flow or profitability, or fundamental structural reforms. Furthermore, the measures outlined in (i) to (ii) above and the shift to recurring revenue model and the development of growth areas

which are core strategies in the second phase (from FY March 2024 to FY March 2027) of the Medium-Term Management Plan may not immediately contribute to earnings. They involve considerable time and significant risk. He believes that it would be difficult to maintain the listing of Company Shares while asking the Company's shareholders to bear this risk and fully support the implementation of these measures. In addition, he believes that discussion of strategic response measures and swift management decisions to promptly implement such measures will be required more than ever before.

Furthermore, Mr. Tomohiko Kimura believes that it is difficult to find a significant necessity in maintaining the Company's listing, given the increasing trend in the personnel and financial costs required to remain listed, along with growing demands from shareholders and the market. He considers that delisting would enable reductions in expenses such as those required for ongoing information disclosure, and those required for the operation of shareholder meetings and outsourcing administrative tasks to shareholder register administrators and also facilitates faster decision-making.

Furthermore, Mr. Tomohiko Kimura recognizes that the Company Group has enjoyed the benefits of being a listed company since its listing, such as enhancement in social credibility, and securing of talent owing to increased name recognition. On the other hand, considering the Company Group's current financial position, which allows it to secure the necessary funds for its business activities, he believes that the need for large-scale fundraising through equity financing is not substantial for the time being. Furthermore, he believes that the Company Group's social credibility and brand strength, which have been acquired through its business activities, are not qualities that would be lost through privatization, and that it is possible to maintain such social credibility and brand strength even after privatization. Therefore, he believes that it is difficult to identify a compelling need to continue maintaining the listing of Company Shares under the current circumstance.

Additionally, as a general disadvantage associated with the privatization of the Company, there is a possibility that the Company Group may experience a negative impact on securing talent and expanding business relationships, which have been facilitated by the enhanced social credibility and name recognition it enjoyed as a listed company. However, Mr. Tomohiko Kimura believes that the impact will be limited. This is because securing of talent and expansion of business relationships through enhanced social credibility and name recognition are also achieved through business activities, and it is considered that the Company Group's established brand strength and reputation would mitigate any adverse effects that privatization would cause on the securing of talent.

Based on these considerations, Mr. Tomohiko Kimura concluded that privatization of the Company would be the most effective means to enhance the corporate value of the Company Group.

Based on the above considerations, Mr. Tomohiko Kimura commenced preliminary discussions regarding the privatization of Company Shares in early February 2025. In considering the Transaction, Mr. Tomohiko Kimura appointed in mid-April 2025 Daiwa Securities Co. Ltd. ("Daiwa Securities") as a financial advisor independent of the Offeror, the Company, the Non-Tendering Shareholders, the Founding Family Agreed Tendering Shareholders, and the Kimura Nursing Foundation (collectively, the "Tender Offer Related Parties"), and appointed in early May 2025 Anderson Mori & Tomotsune as a legal advisor independent of the Tender Offer Related Parties, and appointed in late May 2025 Deloitte Tohmatsu Financial Advisory LLC and Deloitte Tohmatsu Tax Co. as the advisors engaging in financial and tax due diligence independent of the Tender Offer Related Parties, thereby establishing a framework for discussions and negotiations regarding the privatization of Company Shares.

Furthermore, Mr. Tomohiko Kimura proceeded with specific deliberations regarding the privatization of Company Shares and, on June 12, 2025, submitted to the Company a non-binding letter of intent (the "Proposal Document") outlining the background and purpose behind Mr. Tomohiko Kimura's proposal of the Transaction, as well as the scheme, etc. pertaining to the Transaction. Subsequently, on June 20, 2025, Mr. Tomohiko Kimura received a notification from the Company that the Company had established a special committee (the "Special Committee"; For the composition of the committee members and other specific items for advice, please see "(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below) to consider the proposal for the Transaction and that the Company would engage in

discussions and negotiations toward the implementation of the Transaction.

Mr. Tomohiko Kimura then conducted due diligence (“Due Diligence”) on the Company Group concerning financial, tax, and legal matters, etc., from early July 2025 to mid-August 2025, and proceeded with further detailed consideration of the terms and conditions of the Transaction. After comprehensively considering the results of the Due Diligence, the Company’s financial information and trends in its share price and other factors, on August 22, 2025, the Offeror submitted an initial price proposal in which the Tender Offer Price was set at 3,000 yen (This reflects a premium of 12.78% (rounded to the second decimal place; hereinafter the same applies in the calculations of premiums) over the closing price of 2,660 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of the price proposal, 14.90% over the simple average closing price of 2,661 yen for the past one month up to that date (rounded to the nearest whole number; hereinafter the same applies in calculations of the simple average closing price.), 17.19% over the simple average closing price of 2,560 yen for the past three months up to that date, and 19.57% over the simple average closing price of 2,509 yen for the past six months up to that date). In response, Mr. Tomohiko Kimura received a request from the Special Committee on August 27, 2025, to increase the proposed price, stating that the proposed price could not be considered sufficient as a value that appropriately distributes to the Company’s shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. In response, on August 28, 2025, taking into account the Company’s financial condition and recent share price movements, Mr. Tomohiko Kimura submitted a second price proposal in which the Tender Offer Price was revised to 3,200 yen (This reflects a premium of 21.86% over the closing price of 2,626 yen for the Company Shares on the Prime Market of the TSE on the business day preceding the date of the price proposal, a 21.90% premium over the simple average closing price of 2,625 yen for the past one month up to that date, a 24.42% premium over the simple average closing price of 2,572 yen for the past three months up to that date, and a 27.49% premium over the simple average closing price of 2,510 yen for the past six months up to that date). In response, Mr. Tomohiko Kimura received a request from the Special Committee on September 1, 2025, to increase the proposed price, stating that the second proposed price could not be considered sufficient as a value that appropriately distributes to the Company’s shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. In response, on September 2, 2025, taking into account the Company’s financial condition and recent share price movements, Mr. Tomohiko Kimura submitted a third price proposal in which the Tender Offer Price was revised to 3,350 yen (This reflects a premium of 27.09% over the closing price of 2,636 yen for the Company Shares on the Prime Market of the TSE on the business day preceding the date of the price proposal, a 26.89% premium over the simple average closing price of 2,640 yen for the past one month up to that date, a 29.90% premium over the simple average closing price of 2,579 yen for the past three months up to that date, and a 33.41% premium over the simple average closing price of 2,511 yen for the past six months up to that date.). In response, Mr. Tomohiko Kimura received a request from the Special Committee on September 3, 2025, to increase the proposed price, stating that the third proposed price still could not be considered sufficient as a value that appropriately distributes to the Company’s shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. In response, on September 9, 2025, taking into account the Company’s financial condition and recent share price movements, Mr. Tomohiko Kimura submitted a fourth price proposal in which the Tender Offer Price was revised to 3,450 yen (This reflects a premium of 26.70% over the closing price of 2,723 yen for the Company Shares on the Prime Market of the TSE on the business day preceding the date of the price proposal, a 30.04% premium over the simple average closing price of 2,653 yen for the past one month up to that date, a 33.36% premium over the simple average closing price of 2,587 yen for the past three months up to that date, and a 37.34% premium over the simple average closing price of 2,512 yen for the past six months up to that date). In response, Mr. Tomohiko Kimura received a request from the Special Committee on September 10, 2025, to increase the proposed price, stating that the fourth proposed price could not be considered sufficient as a value that appropriately distributes to the Company’s shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. In addition, the Special Committee requested that, given the level of the fourth proposed price, consideration be given, from the perspective of protecting the interests of the Company’s general shareholders, to setting a minimum number of tendered shares to be purchased under the so-called “Majority of Minority” (the “MoM”). In response, on September 12, 2025, Mr.

Tomohiko Kimura, fully respecting the views of the Special Committee, submitted a fifth price proposal in which the Tender Offer Price was revised to 3,500 yen (This reflects a premium of 29.68% over the closing price of 2,699 yen for the Company Shares on the Prime Market of the TSE on the business day preceding the date of the price proposal, a 31.58% premium over the simple average closing price of 2,660 yen for the past one month up to that date, a 34.98% premium over the simple average closing price of 2,593 yen for the past three months up to that date, and a 39.17% premium over the simple average closing price of 2,515 yen for the past six months up to that date.), stating that, taking the Company's financial condition and other factors into comprehensive consideration, it would be difficult to increase the proposed price further. In response, Mr. Tomohiko Kimura received a request from the Special Committee on September 12, 2025, to increase the proposed price, including considering setting the Tender Offer Price at 3,800 yen, stating that the fifth proposed price could not be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. In response, on September 17, 2025, Mr. Tomohiko Kimura, taking into full account the price levels suggested by the Special Committee, submitted a sixth price proposal setting the Tender Offer Price at 3,530 yen (This reflects premiums of 30.45% over the closing price of 2,706 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of that proposal, a 32.46% premium over the simple average closing price of 2,665 yen for the past one month up to that date, a 35.93% premium over the simple average closing price of 2,597 yen for the past three months up to that date, and a 40.25% premium over the simple average closing price of 2,517 yen for the past six months up to that date), stating that, in light of the Company's financial position and the burden of repaying borrowings from financial institutions following completion of the Transaction, a further increase of the Tender Offer Price was not realistically feasible. In response, Mr. Tomohiko Kimura received a request from the Special Committee again on September 17, 2025, to increase the proposed price, including asking Mr. Tomohiko Kimura to consider setting the Tender Offer Price at 3,650 yen. In response, on September 19, 2025, Mr. Tomohiko Kimura, after considering the practical feasibility of the Transaction in light of the Company's financial position and the burden of repaying borrowings from financial institutions following completion of the Transaction, submitted a seventh price proposal stating that the sixth proposal represented his final offer made with maximum consideration for the interests of the Company's general shareholders and confirming that he would maintain the Tender Offer Price at 3,530 yen and that the Transaction would provide the Company's general shareholders with an attractive and adequate opportunity to sell their shares at a fair price that includes an appropriate premium over the market price, and that failure to execute the Transaction and thereby forfeit that opportunity would not be in the interests of the Company's general shareholders. In response, Mr. Tomohiko Kimura received a response from the Special Committee on September 19, 2025, confirming the reasonableness of the seventh proposed price and notifying its acceptance of the Tender Offer Price of 3,530 yen. The Offeror and the Special Committee have agreed not to set a MoM for minimum number of Tendered Shares to be purchased in the Tender Offer, on the basis that setting a MoM could destabilize the consummation of the Tender Offer and, in turn, could be detrimental to the interests of the Company's general shareholders.

Following the above discussions and negotiations, the Offeror determined on September 24, 2025, to set the Tender Offer Price at 3,530 yen and to commence the Tender Offer as part of the Transaction.

(III) Management policy, etc., after implementation of the Tender Offer

According to the Offeror, the Transaction constitutes a so-called management buyout (MBO). Mr. Tomohiko Kimura and Mr. Yosuke Kimura plan to continue managing the Company after the Transaction and intend to promote the management measures described in "(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer" above. As of today, no decisions or assumptions have been made at this time, and no agreements have been made between the Offeror and the other directors of the Company regarding the appointment of officers or their treatment after the Transaction. Regarding the details of the management structure, including the composition of the Company's officers after the Transaction, will be determined after the Transaction through discussions with the Company.

Further, regarding employees, although no specific decisions have been made at this time, the Company will consider implementing incentive plans and employee benefit programs to provide treatment at a level equivalent to that which has been offered thus far even after the Transaction.

(IV) The process leading to the Company's decision-making; reasons

(i) Process of establishment of review system

As described in "(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer" above, the Company received the Proposal Document from Mr. Tomohiko Kimura on June 12, 2025. Therefore, as stated in "(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company" and "(II) Procurement of advice from an independent law firm by the Company" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below, to eliminate the arbitrariness in the decision-making of the Company and the Company's Board of Directors regarding the Transaction and to ensure the fairness, transparency, and objectivity of the decision-making process, the Company appointed, based on the resolution of the meeting of the Company's Board of Directors held on June 20, 2025, Mizuho Securities Co., Ltd. ("Mizuho Securities") as a financial advisor and a third-party valuator independent of the Tender Offer Related Parties, and TMI Associates as a legal advisor independent of the Tender Offer Related Parties, respectively.

Furthermore, the Transaction constitutes a so-called management buyout (MBO) and there is an issue of structural conflicts of interest with the Company or its general shareholders. Therefore, for the purpose of ensuring careful deliberation in decision-making by the Company regarding the Transaction and eliminating arbitrariness and the risk of conflicts of interest in the Company's Board of Directors' decision-making process and ensuring its fairness, the Company established the Special Committee (for the composition and specific activities etc. of the Special Committee, please refer to "(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below) based on the resolution of the meeting of the Company's Board of Directors held on June 20, 2025 and established a system for consideration of, negotiations concerning, and judgment regarding the Transaction.

Subsequently, as described in "(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below, at the meeting of the Special Committee held on July 7, 2025, it was confirmed that there were no issues regarding the independence, expertise, or track record of TMI Associates, the Company's legal advisor, or of Mizuho Securities, the Company's financial advisor and third-party valuator, and their appointment was approved. In addition, since receiving the Proposal Document from Mr. Tomohiko Kimura on June 12, 2025, the Company has established a system within the Company system for consideration of, negotiations concerning, and judgment regarding the Transaction (including the scope of the management personnel of the Company involved in the consideration of, negotiations concerning, and judgment regarding, and their duties) from a position independent of the Offeror, Mr. Tomohiko Kimura, the Non-Tendering Shareholders, the Founding Family Agreed Tendering Shareholders, and the Kimura Nursing Foundation. On July 7, 2025, the Special Committee approved that this review system has no issues regarding independence and fairness (for details of the establishment of a review system by the Company, please refer to "(VI) Establishment of an independent review system by the Company" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below). Furthermore, on July 16, 2025, the Special Committee appointed Plutus Consulting, Co., Ltd. ("Plutus Consulting") as its own third-party valuator after confirming that there were no issues regarding its independence, expertise, or track record.

(ii) Process of review and negotiation

The Company, under the aforementioned system, considering its management environment and business conditions,

has continuously held discussions and negotiations with the Offeror and has carefully reviewed the advisability of the Transaction and the fairness of its terms and conditions, including the Tender Offer Price, based on the negotiation policy confirmed in advance by the Special Committee and the opinions, instructions, and requests from the Special Committee while receiving advice from TMI Associates and Mizuho Securities.

Specifically, after the Special Committee was established on June 20, 2025, the Company proceeded with the considerations and discussions within the Special Committee. On July 17, 2025, the Special Committee sent questions in writing to Mr. Tomohiko Kimura on matters including the background and purpose of the Transaction, the measures the Offeror anticipates implementing after the Transaction, and other terms and conditions of the Transaction and received responses in writing on July 24, 2025. The Special Committee, after reviewing the response, sent additional questions in writing to Mr. Tomohiko Kimura on July 30, 2025, including those on the merits of implementing the Transaction and measures the Offeror anticipates implementing after the Transaction, and received a response in writing on August 5, 2025. Furthermore, the Special Committee had a direct meeting with Mr. Tomohiko Kimura on August 20, 2025, and conducted a question-and-answer session based on his responses to the aforementioned questions and additional questions.

Furthermore, regarding the Tender Offer Price, the Company received a proposal from Mr. Tomohiko Kimura on August 22, 2025, to set the Tender Offer Price at 3,000 yen, based on the premise that the Company would not pay interim or year-end dividends for the fiscal year ending March 2026 and would abolish its shareholder benefit plan starting from the fiscal year ending March 2026. Since then, the Company has engaged in repeated discussions and deliberations with Mr. Tomohiko Kimura and the Offeror, as described in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” above.

Specifically, on August 22, 2025, the Company received from Mr. Tomohiko Kimura an initial price proposal in which the Tender Offer Price was set at 3,000 yen (this reflects a premium of 12.78% over the closing price of 2,660 yen for the Company Shares on the Prime Market of the TSE on the business day preceding the date of the price proposal, a 14.90% premium over the simple average closing price of 2,611 yen for the past one month up to that date, a 17.19% premium over the simple average closing price of 2,560 yen for the past three months up to that date, and a 19.57% premium over the simple average closing price of 2,509 yen for the past six months up to that date). In response, on August 27, 2025, the Special Committee requested an increase in the proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company’s shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction.

Subsequently, on August 28, 2025, the Company received from Mr. Tomohiko Kimura the second price proposal in which in view of the Company’s financial situation and recent trends of the Company’s share price, the Tender Offer Price was set at 3,200 yen (this reflects a premium of 21.86% over the closing price of 2,626 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of the second price proposal, 21.90% over the simple average closing price of 2,625 yen for the past one month up to that date, 24.42% over the simple average closing price of 2,572 yen for the past three months up to that date, and 27.49% over the simple average closing price of 2,510 yen for the past six months up to that date). In response, on September 1, 2025, the Special Committee requested a raise of the second proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company’s shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction.

Subsequently, on September 2, 2025, the Company received from Mr. Tomohiko Kimura the third price proposal in which in view of the Company’s financial situation and recent trends of the Company’s share price, the Tender Offer Price was set at 3,350 yen (this reflects a premium of 27.09% over the closing price of 2,636 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of the third price proposal, a 26.89% premium over the simple average closing price of 2,640 yen for the past one month up to that date, a 29.90% premium over the simple average closing price of 2,579 yen for the past three months up to that date, and a 33.41% premium over the simple average closing price of 2,511 yen for the past six months up to that date). In response, on September 3, 2025, the Special Committee requested an increase in the third proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company’s shareholders a proper portion of the value expected

to be realized in the future through the implementation of the Transaction.

Subsequently, on September 9, 2025, the Company received from Mr. Tomohiko Kimura the fourth price proposal in which in view of the Company's financial situation and recent trends of the Company's share price, the Tender Offer Price was set at 3,450 yen (this reflects a premium of 26.70% over the closing price of 2,723 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of the fourth price proposal, a 30.04% premium over the simple average closing price of 2,653 yen for the past one month up to that date, a 33.36% premium over the simple average closing price of 2,587 yen for the past three months up to that date, and a 37.34% premium over the simple average closing price of 2,512 yen for the past six months up to that date). In response, on September 10, 2025, the Special Committee requested an increase in the fourth proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that at the level of the fourth proposed price, from a perspective of protecting general shareholders' interests, it is necessary to set a MoM for minimum number of shares to be purchased in the Tender Offer.

Subsequently, on September 12, 2025, the Company received from Mr. Tomohiko Kimura the fifth price proposal in which in view of the Company's financial situation and recent trends of the Company's share price, the Tender Offer Price was set at 3,500 yen (this reflects a premium of 29.68% over the closing price of 2,699 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of the fifth price proposal, a 31.58% premium over the simple average closing price of 2,660 yen for the past one month up to that date, a 34.98% premium over the simple average closing price of 2,593 yen for the past three months up to that date, and a 39.17% premium over the simple average closing price of 2,515 yen for the past six months up to that date), and a MoM would not be set on the grounds that it may make the successful completion of the Tender Offer uncertain and may not contribute to interests of the Company's general shareholders tendering their shares in the Tender Offer. In response, on September 12, 2025, the Special Committee requested an increase in the fifth proposed price, including consideration of setting the Tender Offer Price at 3,800 yen, on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that at the level of the fifth proposed price, from a perspective of protecting general shareholders' interests, it is necessary to set a MoM for the minimum number of shares to be purchased in the Tender Offer.

Subsequently, on September 17, 2025, the Company received from Mr. Tomohiko Kimura the sixth price proposal taking into fullest consideration the price presented by the Special Committee., the Tender Offer Price was set at 3,530 yen (this reflects a premium of 30.45% over the closing price of 2,706 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of the sixth price proposal, a 32.46% premium over the simple average closing price of 2,665 yen for the past one month up to that date, a 35.93% premium over the simple average closing price of 2,597 yen for the past three months up to that date, and a 40.25% premium over the simple average closing price of 2,517 yen for the past six months up to that date), a MoM would not be set on the grounds that it may make the successful completion of the Tender Offer uncertain and may not contribute to interests of the Company's general shareholders tendering their shares in the Tender Offer, and considering the burden of repaying the loan from financial institutions after the Transaction in consideration of the Company's financial situation, a further increase of the Tender Offer Price is not realistically expected. In response, on September 17, 2025, the Special Committee requested a raise of the sixth proposed price, including consideration of setting the Tender Offer Price at 3,650 yen, on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that provided that the Offeror seriously consider raising the proposed price, from a perspective of protecting general shareholders' interests, it would accept the Offeror's not setting a MoM.

Subsequently, on September 19, 2025, the Company received a seventh price proposal from Mr. Tomohiko Kimura. After considering the practical feasibility of the Transaction in light of the Company's financial condition and the post-transaction borrowing repayment burden, Mr. Tomohiko Kimura reiterated in the seventh price proposal that the sixth

proposal represented his final offer made with maximum consideration for the interests of the Company's general shareholders and confirmed that he would maintain the Tender Offer Price at 3,530 yen and that the Transaction would provide the Company's general shareholders with an attractive and adequate opportunity to sell their shares at a fair price that includes an appropriate premium over the market price, and that failure to execute the Transaction and thereby forfeit that opportunity would not be in the interests of the Company's general shareholders. In response, Mr. Tomohiko Kimura received a response from the Special Committee on September 19, 2025, confirming the reasonableness of the seventh proposed price and notifying its acceptance of the Tender Offer Price of 3,530 yen. The Offeror and the Special Committee have agreed not to set a MoM for the minimum number of shares to be purchased in the Tender Offer, on the basis that setting a MoM could destabilize the consummation of the Tender Offer and, in turn, could be detrimental to the interests of the Company's general shareholders.

(iii) Details of decision

Under the above circumstances, the Company has received necessary legal advice from its legal advisor, TMI Associates, regarding the methods and processes of decision-making by the Company's Board of Directors including various procedures concerning the Transaction and other points of attention. The Company also received a report (the "Report") from the Special Committee dated September 22, 2025 (for an overview of the Report and details of the Special Committee's specific activities, please refer to "(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below).

Furthermore, the Company has received a share valuation report pertaining to the Company Shares from Mizuho Securities dated September 22, 2025 (the "Share Valuation Report (Mizuho Securities)") (for an overview of the Share Valuation Report (Mizuho Securities), please refer to "(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company" under "(3) Matters concerning calculation" below).

Moreover, the Special Committee has received from Plutus Consulting a share valuation report pertaining to the Company Shares dated September 22, 2025 (the "Share Valuation Report (Plutus)"), and a fairness opinion (the "Fairness Opinion") stating that the Tender Offer Price (3,530 yen) is fair to the Company's general shareholders from a financial perspective (for an overview of the Share Valuation Report (Plutus) and the Fairness Opinion, please refer to "(II) Procurement of a share valuation report and a fairness opinion from an independent third-party valuator retained by the Special Committee" under "(3) Matters concerning calculation" below).

Subsequently, based on legal advice received from TMI Associates, the financial advice received from Mizuho Securities, the Share Valuation Report (Mizuho Securities) obtained from Mizuho Securities, and the Share Valuation Report (Plutus) and the Fairness Opinion submitted through the Special Committee; while respecting the content of the Report submitted by the Special Committee to the maximum extent, the Company carefully discussed and examined whether the Transaction would enhance its corporate value, and whether the terms and conditions of the Transaction including the Tender Offer Price were fair.

As a result, the Company determined that, considering the following and other points, the measures contemplated by the Offeror as described in "(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer" above are reasonable and the privatization of the Company Shares through the Transaction would contribute to enhancing the Company's corporate value.

(a) Expanding investment in healthcare and nursing care services

As described in "(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer" above, it is recognized that, although Japan is demonstrably aging as all baby boomers will be 75 or older in 2025, under the government's basic policy of "from hospital to home", the number of hospital beds is expected to decrease. It is also believed that the environment will continue to be harsh to medical and elderly care facility operations as the continuous shortage of labor is an issue needs to be tackled and utilities fees and materials prices are persistently high in Japan. The Company believes that a transition from the one-time sale business

model to the recurring revenue business model of high-performance beds and products and services that mitigate the burden on nursing and care staff is important to improve the medium-to-long-term business value and strengthen the relationship between the Company and customers, which will lead to the expansion of Company business in the medium-to-long term. However, the expansion of the recurring revenue businesses and the improvement of profitability above require, in addition to up-front investment in recurring assets, investment etc. in maintenance bases for recurring products as well as up-front investment in development of applications and software to utilize technologies necessary to expand the recurring revenue businesses and promote digital transformation (DX).

It will take considerable time to establish the recurring revenue businesses as a pillar of revenue for the entire Company Group, and there is a risk of short-term deterioration of cash flow or profitability; therefore, it is believed that the Company may not be fully valued in the capital market.

Delisting of Company Shares through the Transaction will enable bold up-front investment from a perspective of enhancing the corporate value in the medium-to-long term, regardless of short-term profit, which is considered advantageous because the Company will be able to focus on expanding the recurring revenue businesses more than ever.

(b) Expansion of brand strength through product development and promotion enhancement in the health promotion business

As describe in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” above, in order to enhance the corporate value in the medium-to-long term, the Company is focusing on the health promotion business, the market of which is expected to grow going forward, and aiming to make the health promotion business the third pillar after the healthcare and nursing care services businesses, but while the Company enjoys high name recognition as a medical and nursing care bed manufacturer, general individual consumers are not familiar with its health promotion business-related products. For that reason, it is necessary to make up-front investment in new product development, and expansion of brand strength through heightened promotion to general individual consumers. It will take considerable time to turn such investment to revenue, and thus, it is difficult to strike a balance with monetization from a short-term perspective.

As with (a) above, it is believed advantageous that delisting of Company Shares through the Transaction will enable bold up-front investment from a perspective of enhancing the corporate value in the medium-to-long term, regardless of short-term profit.

(c) Overseas business expansion

As described in “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” above, the overseas business is considered an area in which the market is expected to grow going forward as economic growth and the improvement of medical infrastructures are expected, particularly in Asia. Meanwhile, it cannot be said that the Company is well known in Asia, and it is necessary to make up-front investment to enhance name recognition and secure work-ready local human resources in each country. In this regard, as with (a) and (b) above, although it takes time to expand business and improve profitability, it is believed advantageous that delisting of Company Shares through the Transaction will enable bold up-front investment from a perspective of enhancing the corporate value in the medium-to-long term, regardless of short-term profit.

On the other hand, the Company has examined the potential disadvantages associated with the privatization of the Company Shares through the Transaction. While the Company intends to delist as a result of implementing the Transaction, this could potentially impact its ability to secure talent and maintain or expand business relationships which have been facilitated by the enhanced social credibility and name recognition it has enjoyed as a listed company. The Company recognizes that it already enjoys high name recognition and credibility within the medical and nursing care bed industry and has established a certain level of brand strength. Therefore, the Company believes the delisting will have limited impact on maintaining and expanding its business relationships. With regards to securing talent, the Company recognizes

that, in addition to its high name recognition, credibility, and brand strength within the industry, many talented individuals who seek employment with the Company find meaning in contributing to society through the Company's business activities. Since their reason for joining is not necessarily limited to the Company being listed, the Company believes that the impact of privatization will be limited.

Furthermore, while privatization would preclude fundraising through equity financing in the capital markets, the Company believes the need for large-scale financing via equity financing is low, given its current financial position of having already secured the necessary funds for its business activities.

For these reasons, the Company's Board of Directors determined at its meeting held today that the benefits of privatization of the Company Shares outweigh the disadvantages.

Additionally, the Company has determined based on the issues described in (i) through (vi) below that the Tender Offer Price (3,530 yen) secures the benefits to be enjoyed by the Company's general shareholders, and that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares at a price with appropriate premiums.

- (i) According to the share valuation results for the Company Shares in the Share Valuation Report (Mizuho Securities) by Mizuho Securities described in "(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below, the Tender Offer Price exceeds the maximum price calculated by the market price standard method and comparable multiple valuation method, and exceeds the median of the per-share value range based on the discounted cash flow method (the "DCF method").
- (ii) According to the share valuation results for the Company Shares in the Share Valuation Report (Plutus) by Plutus Consulting as described in "(IV) Procurement of a share valuation report and procurement of a fairness opinion from an independent third-party valuator retained by the Special Committee" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below, (a) the Tender Offer Price exceeds the maximum price calculated by the market price method, and is within the range of the per-share value range based on the DCF method, and (b) Plutus Consulting express a fairness opinion that the Tender Offer Price (3,530 yen) is fair to the Company's general shareholders from a financial perspective.
- (iii) The Tender Offer Price represents a 31.37% premium over the closing price of 2,687 yen for the Company Shares on the Prime Market of the TSE with a record date of September 22, 2025, the business day immediately prior to the announcement date of the Tender Offer, a 32.06% premium over the simple average closing price of 2,673 yen for the past one month up to that date, a 35.51% premium over the simple average closing price of 2,605 yen for the past three months up to that date, and a 40.08% premium over the simple average closing price of 2,520 yen for the past six months up to that date. Thus, it is considered to carry a reasonable premium generally compared with the median premium levels observed in 36 cases of tender offers announced on or after June 28, 2019, the publication date of the "Fair M&A Guidelines" formulated by the Ministry of Economy, Trade and Industry, and completed by September 22, 2025, which involved management buyouts (MBOs) aiming at privatization of companies listed on the Tokyo Stock Exchange Prime Market (or, in cases announced prior to the reorganization of the TSE market segments on April 4, 2022, companies listed on the First Section of the Tokyo Stock Exchange), excluding cases where the initial tender offer failed but was subsequently completed following a re-tender offer. Specifically, the median premiums in such cases were a 40.83% premium over the closing price on the business day immediately prior to the announcement date of the Tender Offer, a 44.92% premium over the simple average closing price for the past one month up to that date, a 44.62% premium over the simple average closing price for the past three months up to that date, and a 43.33% premium over the simple average closing price for the past six months up to that date. Furthermore, the Tender Offer Price represents a 19.26% premium over the Company's historical highest share price of 2,960 yen (recorded in intraday trading on February 1, 2018)..

- (iv) As described in “(V) Unanimous approval of all disinterested directors (including directors who are audit and supervisory committee members) of the Company” under “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below, the Tender Offer Price was determined after taking measures to ensure the fairness of the Tender Offer, and it is recognized that the interests of general shareholders were considered.
- (v) The Tender Offer Price was determined after sincere and continuous discussions and negotiations between the Company and Mr. Tomohiko Kimura and the Offeror, following the implementation of the above measures.
- (vi) As described in “(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee” under “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below, the Report procured from the Special Committee also offers the opinion that the Tender Offer Price is a fair price.

The Company resolved at the meeting of the Company’s Board of Directors held on September 24, 2025, based on the above, to express its opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer. It is noted that this resolution by the Company’s Board of Directors was made assuming that the Company Shares will be delisted as a result of the implementation of the Tender Offer and the Squeeze-Out Procedures.

For details of the above board resolution, please refer to “(V) Unanimous approval of all disinterested directors (including directors who are audit and supervisory committee members) of the Company” under “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below.

Of the Company’s directors: (i) Mr. Tomohiko Kimura is the proposer of the Transaction and the Representative Director of the Offeror, and intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction; and (ii) Mr. Yosuke Kimura has entered into the tender agreement with the Offeror, and LLAGE WOOD and SION, which are both his asset management companies and at which Mr. Yosuke Kimura serves as director, have entered into the non-tender agreements with the Offeror, and Mr. Yosuke Kimura intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction. Therefore, Mr. Tomohiko Kimura and Mr. Yosuke Kimura did not participate in any way in the deliberations or resolution regarding the proposal in the meeting of the Company’s Board of Directors with respect to the statement of an opinion on the Tender Offer, nor did they have any role in the discussions or negotiations with the Offeror regarding the Transaction from the Company’s position. Although Ms. Yukari Oka was absent from the above meeting of the Company’s Board of Directors due to personal reasons, it has been separately confirmed that, prior to such Board meeting, she expressed her support for the board resolution to state an opinion in favor of the Tender Offer and to recommend that all of the Company’s shareholders tender their Company Shares in the Tender Offer.

(3) Matters concerning calculation

- (I) Procurement of a share valuation report from an independent third-party valuator retained by the Company
- (i) Name of the valuator and its relationship with the Company and the Offeror

The Company requested Mizuho Securities, a financial advisor and third-party valuator independent of the Tender Offer Related Parties, to evaluate the Company Shares, and obtained the Share Valuation Report (Mizuho Securities) on September 22, 2025. Mizuho Securities is not a party related to the Tender Offer Related Parties. Although Mizuho Securities has the status of a Company shareholder, Mizuho Bank, Ltd., a group company of Mizuho Securities, plans to finance purchase funds for the Offeror and conduct financing transactions as a part of ordinary bank transactions with the Company, according to Mizuho Securities, in accordance with Article 36 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007, as amended), Mizuho Securities has taken appropriate measures to prevent adverse effects, such as information firewall measures between the department in charge of financial advisor work and valuation work for the Company Shares and the department which holds the

Company's shares etc. within Mizuho Securities and has established and implemented appropriate conflicts of interest management systems such as appropriate information firewall measures between Mizuho Securities and Mizuho Bank, and conducted the share valuation of the Company Shares from a standpoint independent of Mizuho Securities' status as a shareholder and Mizuho Bank's status as a lender. When having the share valuation of the Company Shares conducted, the Company determined that Mizuho Securities has established and implemented appropriate conflicts of interest management systems, and selected Mizuho Securities as its third-party valuator. In view of other measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest implemented in connection with the Transaction (for specific details, please refer to "(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee" through "(VII) Securing objective conditions to ensure the fairness of the Tender Offer" under "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest"), the Company believes that adequate consideration has been given to the interests of the Company's general shareholders, and the Company has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Mizuho Securities. In addition, the fees paid to Mizuho Securities in relation to the Transaction do not include any contingency fees to be paid subject to the successful completion of the Transaction etc.

(ii) Overview of calculation

Based on the results of considering the calculation methods to be used in the Tender Offer, Mizuho Securities, based on its view that it is appropriate to evaluate the Company Shares from a multifaceted perspective under the assumption that the Company is a going concern, calculated the per-share value of the Company Shares using: the market price standard method since the Company Shares are listed on the Prime Market of the TSE and there is a market price for the Company Shares; the comparable multiple valuation method since there are several comparable and similar listed companies and the share value can be estimated by comparison with the market values of the comparable listed companies; and the DCF method to reflect the status of future business activities of the Company in the calculation.

The range of the per-share value of the Company Shares calculated by Mizuho Securities using the above valuation methods is as follows:

Market price standard method:	From 2,520 yen to 2,687 yen
Comparable multiple valuation method:	From 2,038 yen to 2,406 yen
DCF method:	From 2,149 yen to 4,225 yen

Under the market price standard method, the reference date is set at September 22, 2025, and the per-share value of the Company Shares was calculated to range from 2,520 yen to 2,687 yen, based on the following prices of the Company Shares on the Prime Market of the TSE: the closing price on the reference date (2,687 yen); the simple average of the closing prices for the past one month up to that date (2,673 yen); the simple average of the closing prices for the past three months up to that date (2,605 yen); and the simple average of the closing prices for the past six months up to that date (2,520 yen).

Under the comparable multiple valuation method, after selecting as listed companies engaging in businesses relatively similar to that of the Company, Tokai Corp., France Bed Holdings Co., Ltd., Nippon Care Supply Co., Ltd., and Kowa Company, Ltd., the per-share value of the Company Shares was calculated using the EBITDA multiple to range from 2,038 yen to 2,406 yen.

Under the DCF method, the enterprise value and the share value of the Company were calculated by discounting to present value the free cash flow expected to be generated by the Company starting from the second quarter of the fiscal year ending March 2026 at a certain discount rate, based on various factors such as financial projections under the business plan (the "Business Plan") prepared by the Company for the four fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2029, which cover the period reasonably forecastable at present in light of the recent revenue environment and historical business performance of the Company, the Company's financial information for the first

quarter of the fiscal year ending March 2026, and publicly disclosed information. Using this method, the per-share value of the Company Shares was calculated to range from 2,149 yen to 4,225 yen. The discount rate was the weighted average cost of capital, ranging from 5.9 % to 7.3 %. The perpetual growth rate method and the exit multiple method were used to calculate the going concern value, and the perpetual growth rate under the perpetual growth rate method was set to range from 0.0 % and 1.4%, the going concern value was calculated to range from 133,140 million yen and 195,676 million yen. comprehensively taking into account the external environment and other factors, and the EBITDA multiple to the enterprise value under the exit multiple method was set to range from 3.2 times and 4.0, times taking into account the levels of the listed companies selected under the comparable multiple valuation method, whereby the going concern value was calculated to range from 78,496 million yen and 100,504 million yen.

Additionally, as non-business assets, investment securities were added to the Company's enterprise value.

The financial projections based on the Business Plan, which Mizuho Securities used as a basis for the calculation under the DCF method, are as follows. The financial projections do not include any fiscal years in which a significant increase or decrease in profit is expected, but include fiscal years in which a significant increase or decrease in free cash flow is expected. Specifically, in the fiscal year ending March 2027, a significant decrease in free cash flow is expected due to an increase in capital investment and an increase in working capital in conjunction with an increase in sales, and in the fiscal year ending March 2028, a significant increase in free cash flow is expected due to a decrease in the range of increase in working capital. In the fiscal year ending March 2029, a significant increase in free cash flow is expected due to the impact of a reduction of the amount of capital investment.

The Business Plan was prepared in view of the impact of changes to the economic environment such as price increases and wage increases on the Company's recent business condition, business environment, etc. for the purpose of considering the fairness of terms and conditions of the Transaction; the Offeror, Mr. Tomohiko Kimura and Mr. Yosuke Kimura were not involved in the preparation process.

Synergy effects expected to be realized through the Transaction are not reflected since it is difficult to specifically estimate their impact on the revenue at present.

	(in million yen)			
	Fiscal year ending March 2026 (nine months)	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029
Sales	90,742	121,698	128,933	136,470
Operating income	12,714	14,022	14,940	16,097
EBITDA	22,313	27,479	29,378	31,517
Free Cash Flow	4,010	111	3,202	7,072

(Note) In calculating the value of the Company Shares, in principle, Mizuho Securities has adopted the information provided by the Company and publicly disclosed information as is, assuming that all such materials and information are accurate and complete, and Mizuho Securities has not independently verified their accuracy or completeness. Further, Mizuho Securities has not conducted any independent evaluation or assessment of the assets and liabilities of the Company and its affiliates (including off-the-book assets and liabilities and other contingent liabilities), nor has it requested any third party to conduct an evaluation or assessment therefor. In addition, it assumes that the information relating to the financial projections of the Company was reasonably prepared based on the currently available best projections and judgments by the management of the Company.

(II) Procurement of a share valuation report and a fairness opinion from an independent third-party valuator retained by the Special Committee

(i) Name of the valuator and its relationship with the Company and the Offeror

When considering the Inquired Matters (as defined in “(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee” under “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest”), in order to ensure the fairness of the transactional terms and conditions including the Tender Offer Price, the Special Committee requested Plutus Consulting, its own third-party valuator independent of the Tender Offer Related Parties and the Transaction including the Tender Offer, to value Company Shares and express an opinion on the fairness of the Tender Offer Price from a financial perspective (a fairness opinion), and obtained the Share Valuation Report (Plutus) and the Fairness Opinion dated September 22, 2025.

Plutus Consulting is not a related party of the Tender Offer Related Parties, and has no material interest in relation to the Transaction including the Tender Offer that should be disclosed. The fees paid to Plutus Consulting in connection with the Transaction are limited to fixed fees to be paid regardless of whether the Transaction is successfully completed or not, and do not include any contingency fees to be paid subject to the public announcement or successful completion of the Transaction.

(ii) Overview of calculation

Based on the results of considering the calculation method to be used in the Tender Offer, Plutus Consulting, based on its view that it is appropriate to evaluate the Company Shares from a multifaceted perspective under the assumption that the Company is a going concern, calculated the per-share value of the Company Shares using: the market price method since the Company Shares are listed on the Prime Market of the TSE and there is a market price for the Company Shares, and the DCF method to reflect the status of future business activities of the Company in the calculation.

The range of the per-share value of the Company Shares calculated by Plutus Consulting using the above valuation methods is as follows:

Market price method:	From 2,520 yen to 2,687 yen
DCF method:	From 3,291 yen to 3,935 yen

Under the market price method, the reference date is set at September 22, 2025, and the per-share value of the Company Shares was calculated to range from 2,520 yen to 2,687 yen, based on the following prices of the Company Shares on the Prime Market of the TSE: the closing price on the reference date (2,687 yen); the simple average of the closing prices for the past one month (2,673 yen); the simple average of the closing prices for the past three months (2,605 yen); and the simple average of the closing prices for the past six months (2,520 yen).

Under the DCF method, the enterprise value and the share value of the Company were calculated by discounting to present value the free cash flow expected to be generated by the Company in and after the second quarter of the fiscal year ending March 2026 at a certain discount rate, based on various factors such as financial projections under the Business Plan prepared by the Company covering the period reasonably forecastable at present in light of the recent revenue environment and historical business performance of the Company, the Company’s performance trends up to recently, and publicly disclosed information. Using this method, the per-share value of the Company Shares was calculated to range from 3,291 yen to 3,935 yen. The discount rate was the weighted average cost of capital, ranging from 6.10% to 7.53%. The perpetual growth rate method was used to calculate the going concern value, and the perpetual growth rate under the perpetual growth rate method was set 0% in view of a theoretically anticipated long-term economic environment, whereby the going concern value was calculated to range from 157,282 million yen and 194,037 million yen.

Additionally, as non-business assets, surplus cash and deposits (calculated by deducting the amount of cash and deposits estimated as necessary for business operations, based on a comprehensive consideration of past cash flow performance, from the Company’s total cash and deposits) together with investment securities were added to the Company’s enterprise value.

The financial projections based on the Business Plan, which Plutus Consulting used as a basis for the calculation under

the DCF method, are as follows. The financial projections do not include any fiscal years in which a significant increase or decrease in profit is expected, but do include fiscal years in which a significant increase or decrease in free cash flow is expected. Specifically, in the fiscal year ending March 2026, negative free cash flow is expected due to an increase in working capital, in the fiscal year ending March 2027, a significant decrease in free cash flow is expected due to an increase in capital investment and an increase in working capital in conjunction with an increase in sales, and in the fiscal year ending March 2028, a significant increase in free cash flow is expected due to a decrease in the range of increase in working capital. In the fiscal year ending March 2029, a significant increase in free cash flow is expected due to the impact of a reduction of the amount of capital investment.

Synergy effects expected to be realized through the Transaction are not reflected since it is difficult to specifically estimate their impact on the revenue at present.

(in million yen)

	Fiscal year ending March 2026 (nine months)	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029
Sales	90,742	121,698	128,933	136,470
Operating income	22,714	14,022	14,940	16,097
EBITDA	22,134	27,252	29,150	31,290
Free Cash Flow	-1,544	63	2,426	6,318

(Note) In calculating the value of the Company Shares, in principle, Plutus Consulting adopted the information provided by the Company and publicly disclosed information as-is, assuming that all such materials and information are accurate and complete, and Plutus Consulting has not independently verified their accuracy or completeness. Further, Plutus Consulting has not conducted any independent evaluation or assessment of the assets and liabilities of the Company and its affiliates (including off-balance sheet assets and liabilities and other contingent liabilities), nor has it requested any third party to conduct an evaluation or assessment therefor. In addition, it assumes that the information relating to the financial projections of the Company was reasonably prepared based on the currently available best projections and judgments by the management of the Company.

(iii) Overview of the Fairness Opinion

The Special Committees has received from Plutus Consulting the Fairness Opinion dated September 22, 2025, stating that the Tender Offer Price (3,530 yen) is fair to the shareholders of the Company Shares from a financial perspective (Note 1). The Fairness Opinion is a statement expressing an opinion that the Tender Offer Price (3,530 yen) is fair to the Company's general shareholders from a financial perspective in light of the valuation result of the Company Shares pursuant to the Business Plan, etc. The Fairness Opinion was issued by Plutus Consulting based on the results of its valuation of the Company Shares, which was conducted after receiving disclosures from the Company concerning the current status, prospect etc. of its business, and related explanations, as well as question and answer sessions conducted with the Company regarding the overview, background, and objectives of the Tender Offer, examination by Plutus Consulting, to the extent that it deemed necessary, of the Company Group's business environment, economic, market, and financial conditions, and other factors, and a review process by a review committee independent of the Plutus engagement team.

(Note 1) In preparing and submitting the Fairness Opinion and calculating the share value forming the basis of the Fairness Opinion, Plutus Consulting assumed that information and basic materials received from or discussed with the Company, and publicly available materials were accurate and complete, and that there were no facts that may have material impact on the analysis and calculation of the value of the Company's Shares that had not been disclosed to Plutus Consulting, and did not independently investigate or verify the accuracy and completeness of such information and materials and

owes no duty to do so.

Plutus Consulting assumes that the Company's business prospect and other materials used as foundational materials for the Fairness Opinion were reasonably prepared by the Company's management on the basis of the best projections and judgments available at the time of their preparation; therefore, Plutus Consulting does not guarantee the feasibility of their realization, and expresses no opinions regarding the analyses or projections that served as the basis for their preparation or the key assumptions that form the foundation therefor.

Plutus Consulting has not performed any analysis or evaluation of the individual assets and liabilities (including off-balance sheet assets and liabilities and other contingent liabilities) of the Company or its affiliated companies or any other independent evaluation or appraisal and has not received any evaluation reports or appraisal reports regarding such assets and liabilities. Therefore, the payment capacity of the Company and its affiliated companies has not been evaluated. Since Plutus Consulting is not a professional legal, accounting, or tax agency, it does not express any opinions whatsoever concerning legal, accounting, or tax issues relating to the Tender Offer, and owes no duty to do so.

The Fairness Opinion expresses an opinion regarding the fairness of the Tender Offer Price from a financial perspective, for the purpose of consideration by the Company when it expresses an opinion regarding the Tender Offer. Therefore, the Fairness Opinion does not express any opinion regarding the superiority or inferiority of the Tender Offer compared to transactions that are potentially alternative options, the benefits that may be generated by the Tender Offer, or the advisability of implementing the Tender Offer.

The Fairness Opinion expresses no opinion for the holders of securities issued by the Company, its creditors, or other related persons. Therefore, Plutus Consulting owes no liability to any shareholders or third parties who may rely on the Fairness Opinion.

Plutus Consulting does not solicit any investments etc. in the Company, and does not have the authority to do so. Therefore, the Fairness Opinion does not recommend that the Company's shareholders tender their shares in the Tender or engage in any other conduct.

The Fairness Opinion states an opinion valid as of the date of its submission regarding whether the Tender Offer Price is fair to the general shareholders of the Company from a financial perspective, on the assumption of the state of the financial and capital markets, economic conditions, and other circumstances as of such date and based on information submitted to or obtained by Plutus Consulting as of such day. Even if these assumptions change because of changes in circumstances going forward, Plutus Consulting owes no duty to correct, change, or supplement its opinion.

The Fairness Opinion implies or suggests any opinion concerning any matters not expressly set forth therein or regarding any time after the date of its submission.

(4) Possibility for delisting; reasons

The Company Shares are listed on the Prime Market of the TSE as of today. However, the Offeror has not set the maximum number of tendered shares to be purchased in the Tender Offer, and therefore, the Company Shares may be delisted through the prescribed procedures in accordance with the TSE's delisting criteria depending on the results of the Tender Offer. Also, even if such criteria are not met as at the time of consummation of the Tender Offer, the Squeeze-Out Procedures described in "(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning 'two-step acquisition'))" below after the consummation of the Tender Offer. If the Squeeze-Out Procedures are implemented, the Company Shares will be delisted through the prescribed procedures in accordance with the TSE's delisting criteria. After the delisting of the Company Shares, the Company Shares may no longer be traded on the Prime Market of the TSE.

(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")

As described in "(I) Outline of the Tender Offer" under "(2) Basis and reasons for the opinion" above, the Offeror plans to privatize the Company Shares. If the Offeror is unable to acquire all Company Shares (but excluding the treasury shares held by the Company and the Non-Tendered Shares) in the Tender Offer, the Offeror plans to implement the Squeeze-Out Procedures of the Company as follows after the consummation of the Tender Offer.

Specifically, the Offeror plans to request the Company, to hold an extraordinary shareholders' meeting (the "Shareholders'

Meeting”), at which the items for resolution shall include the implementation of the Share Consolidation of the Company Shares pursuant to Article 180 of the Companies Act, and on condition that the Share Consolidation takes effect, the partial amendment of the articles of incorporation to abolish the provision concerning share units. As described in “(I) Outline of the Tender Offer” under “(2) Basis and reasons for the opinion” above, the Offeror and the Non-Tendering Shareholders plan to vote in favor of each of the above proposals at the Shareholders’ Meeting.

If the proposal for the Share Consolidation is approved at the Shareholders’ Meeting, then on the date on which the Share Consolidation takes effect, the Company’s shareholders will hold the Company Shares in the number corresponding according to the ratio of the Share Consolidation approved at the Shareholders’ Meeting. If any fraction of a share less than one share is generated from the Share Consolidation, an amount of money obtained by selling to the Company or the Offeror the Company Shares equivalent to the total number of such fractional shares (any fractional shares less than one share created by aggregating those fractional shares shall be discarded) shall be delivered to the Company’s shareholders for whom such fraction of less than one share is generated, in accordance with the procedures stipulated 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 such total number of fractional shares, it is scheduled that this price shall be set in such way so that, as a result of selling these shares, the amount of money to be delivered to each of the Company’s shareholders who did not tender in the Tender Offer (excluding the Offeror, the Company, and the Non-Tendering Shareholders) shall be the same as the price that shall be obtained by multiplying the Tender Offer Price by the number of the Company Shares held by such shareholders. After the above process, the Offeror intends to request the Company to file a petition to obtain permission for voluntary sale To the court. In addition, although the ratio of the Share Consolidation has not yet been determined as of today, the Offeror plans make a request to determine the number of the Company Shares held by the Company’s shareholders who did not tender in the Tender Offer (excluding the Offeror, the Company, and the Non-Tendering Shareholders) to be a fraction of less than one share, so that the Offeror and the Non-Tendering Shareholders (excluding Mr. Michihide Kimura Related Shareholders; hereinafter the same applies in “(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)) will hold all of the issued and outstanding shares of the Company (but excluding the treasury shares held by the Company and the Non-Tendered Shares). The Company intends to comply with these requests by the Offeror if the Tender Offer is consummated.

Furthermore, as described in “(I) Outline of the Tender Offer” under “(2) Basis and reasons for the opinion” above, the Offeror intends to avoid, to the extent possible, the existence of any Company’s shareholders other than the Offeror and Mr. Tomohiko Kimura who hold a number of the Company Shares equal to or greater than the smaller of the number of the Company Shares held by the Offeror and Mr. Tomohiko Kimura, respectively, at the time immediately before the Share Consolidation becomes effective. To enhance the stability of the Squeeze-Out Procedures, if deemed necessary by the Offeror, the Non-Tendering Shareholders (excluding Mr. Tomohiko Kimura and Mr. Michihide Kimura Related Shareholders) plan to execute the Stock Lending Transaction whereby they will transfer all Company Shares they own to Mr. Tomohiko Kimura without consideration before the Share Consolidation becomes effective.

The provisions of the Companies Act that protect the rights of the minority shareholders in connection with the Share Consolidation stipulate that when fractional shares of less than one share are created as a result of the Share Consolidation, the Company’s shareholders (excluding the Offeror, the Company, and the Non-Tendering Shareholders) may request the Company to purchase all fractional shares that they hold at a fair price and that they may file with the court a petition to determine the price of the Company Shares pursuant to Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. As described above, in the Share Consolidation, the number of the Company Shares held by the Company’s shareholders who did not tender their shares in the Tender Offer (excluding the Offeror, the Company, and the Non-Tendering Shareholders) is expected to be fractions of less than one share, and therefore, the Company’s shareholders who oppose to the Share Consolidation may file the above petition. If such petition is filed, the purchase price of the Company Shares will ultimately be determined by the court.

Among the Restricted Shares, the Company, in respect of the Restricted Shares for the Officers and Employees, the allotment agreement therefor provides that: (a) if, during the transfer restriction period, the matter regarding the share consolidation (limited to cases where such share consolidation results in the allottee of the Restricted Shares holding only a

fraction of less than one share of the Restricted Shares) is approved at a shareholder's meeting of the Company (limited to cases where the effective date of the share consolidation (the "Effective Date of Share Consolidation") falls before the expiration of the transfer restriction period), the Company's Board of Directors may resolve to lift the transfer restrictions for a certain number of Restricted Shares. Such number of the Restricted Shares for which the transfer restrictions are lifted is calculated by multiplying (i) the number of months from the month including the payment date of the Restricted Shares to the month including such date of approval (the "Approval Date of Share Consolidation") divided by 12 (if the calculated result is more than one, it will be deemed as one), and (ii) the number of Restricted Shares owned by the allottees as of the Approval Date of Share Consolidation (any fractions less than one share will be discarded); and (b) in the case specified in (a) above, the Company shall automatically acquire, without consideration, on the business day immediately preceding the Effective Date of Share Consolidation, all of the Restricted Shares for which the transfer restrictions have not been lifted as of the same day. In the Squeeze-Out Procedures, pursuant to provision (a) of the aforementioned allotment agreement, the Restricted Shares for which the transfer restrictions were lifted as of the Approval Date of Share Consolidation will be subject to the Share Consolidation, and pursuant to provision (b) of the aforementioned allotment agreement, on the business day immediately preceding the Effective Date of Share Consolidation, the Company intends to acquire, without consideration, all Restricted Shares for which the transfer restrictions have not been lifted as of the Effective Date of Share Consolidation. Among the Restricted Shares for the Shareholding Association of the Employees, the allocation agreement provides that in the event any matter relating to a share consolidation (limited to cases where, as a result of such share consolidation, only a fractional number of shares less than one share would be held by the eligible persons for such Restricted Shares) is approved at the shareholder's meeting of the Company during the transfer restriction period (provided, however, that this applies only if the effective date of Share Consolidation arrives before the expiration of the transfer restriction period), the transfer restriction on all of the Restricted Shares for the Shareholding Association of the Employees as of the Approval Date of Share Consolidation corresponding to the holdings of each member, shall be lifted by a resolution of the Company's Board of Directors as of the date of such approval of the share consolidation. In the Squeeze-Out Procedures, in accordance with the provisions of the above-mentioned allocation agreement, any such Restricted Shares of the Company whose transfer restriction is lifted as of the date of approval of the Share Consolidation will be subject to the Share Consolidation.

With respect to the above procedures, depending on the situations such as amendments of relevant laws and regulations and thereof by the authorities, the Offeror's Shareholdings Ratio in the Company Shares, and the Shareholdings Ratio of the Company's shareholders other than the Offeror and the Non-Tendering Shareholders, their implementation may require time, or may be changed to any other methods having similar effects. Even in such case, the method of ultimately delivering the money to the Company's shareholders who did not tender in the Tender Offer (excluding the Offeror, the Company, and the Non-Tendering Shareholders) will be adopted. In such a case, the amount of money to be delivered to each relevant shareholder will be calculated as the Tender Offer Price multiplied by the number of the Company Shares held by each such shareholder. The Company will promptly announce the specific procedures and timing of implementation in the above cases as soon as they are determined. If held, the Shareholders' Meeting is scheduled for around mid-January 2026.

The Tender Offer is not a solicitation for the Company's shareholders to vote in favor of the proposals at the Shareholders' Meeting. The Company's shareholders are requested to confirm with professionals, such as tax accountants, at their own responsibility concerning tax treatment for tendering in the Tender Offer or in the procedures above.

- (6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest

The Offeror and the Company, recognizing that the Tender Offer is conducted as part of the Transaction falling under a so-called management buyout (MBO) and that structural conflicts of interest exist, have implemented the following measures to ensure the fairness of the Transaction including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating the arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest.

The Offeror believes that setting a minimum number of tendered shares to be purchased under the MoM in the Tender Offer would destabilize the consummation of the Tender Offer, which in turn might not serve the interests of the Company's

minority shareholders who wish to tender in the Tender Offer, and therefore, it has not set a minimum number of tendered shares to be purchased under the MoM in the Tender Offer. However the Offeror believes that consideration is given to the interests of the Company's general shareholders.

The following measures which have been implemented by the Offeror are based on explanations given by the Offeror.

(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company

For the purpose of expressing its opinion regarding the Tender Offer, the Company requested Mizuho Securities, a financial advisor and third-party valuator independent of the Tender Offer Related Parties, to evaluate the Company Shares to ensure the fairness in the process of making decisions on the Tender Offer Price offered by the Offeror, and obtained the Share Valuation Report (Mizuho Securities) dated September 22, 2025. The Company has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Mizuho Securities since the Company determined that measures have been taken to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest whereby the fairness in the Transaction is sufficiently ensured. In addition, Mizuho Securities is not a party related to the Tender Offer Related Parties nor does it have any material interest in the Transaction including the Tender Offer that should be disclosed. Fees to Mizuho Securities in connection with the Transaction do not include an incentive fee payable on condition of successful completion of the Transaction. Also, the Special Committee has approved Mizuho Securities as the third-party valuator of the Company.

For an overview of the Share Valuation Report (Mizuho Securities), please refer to “(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company” under “(3) Matters concerning calculation” above.

(II) Procurement of advice from an independent law firm by the Company

The Company appointed TMI Associates as a legal advisor independent of the Tender Offer Related Parties and obtained necessary legal advice from TMI Associates on the method and process of the decision-making by the Company's Board of Directors and other points of attention including procedures for the Transaction including the Tender Offer, to ensure the fairness and appropriateness of the decision-making by the Company's Board of Directors with respect to the Transaction including the Tender Offer. For the avoidance of doubt, TMI Associates is not a party related to the Tender Offer Related Parties, nor does it have any material interest in the Transaction including the Tender Offer that should be disclosed. Also, the Special Committee has approved TMI Associates as the legal advisor of the Company. Fees to TMI Associates are calculated by multiplying the hourly rate by working hours regardless of whether the Transaction is successfully completed or not, and do not include an incentive fee payable on condition of successful completion of the Transaction.

(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee

(i) Establishment of a special committee

As described in “(IV) The process leading to the Company's decision-making; reasons” under “(2) Basis and reasons for the opinion” above, given that the Transaction constitutes a management buyout (MBO), and there are typically structural conflicts of interest with the Company or its general shareholders, for the purpose of ensuring careful decision-making by the Company regarding the Transaction and eliminating arbitrariness and conflicts of interest within the decision-making process of the Company's Board of Directors and ensuring the fairness thereof, based on a resolution of the Company's Board of Directors at a meeting held on June 20, 2025, the Company established a special committee consisting of two members, Mr. Yoshikazu Goto (outside director (audit and supervisory committee member) of the Company and outside director of Sodick Co., Ltd.) and Ms. Yukari Oka (attorney-at-law, outside director (audit and supervisory committee member) of the Company), who are independent from both the Tender Offer Related Parties and have no interests in the success or failure of the Transaction.

Subsequently, on July 1, 2025, before the first meeting of the Special Committee was held, the Special Committee additionally appointed as members of the Special Committee Ms. Arei Shirai (General Manager of DE&I Business Development Department of Benesse Corporation University & Working Adult Company) and Ms. Naoko Harima (certified public accountant), both having been elected as outside directors (audit and supervisory committee members)

of the Company at the ordinary Shareholders' Meeting of the Company held on June 27, 2025. Ms. Arei Shirai and Ms. Naoko Harima are independent from both the Tender Offer Related Parties and the outcome of the Transaction.

Furthermore, as for Mr. Kazuo Takahashi, outside director (audit and supervisory committee member) of the Company, since he had served as an advisor to Daiwa Securities, the financial advisor to the Offeror, until March 31, 2023, he was not appointed as a member of the Special Committee so as to thoroughly ensure the fairness of the Tender Offer Price, eliminate arbitrariness in the process of deciding to implement the Tender Offer, and avoid conflicts of interest.

Subsequently, Ms. Yukari Oka, due to personal reasons that could potentially prevent her from fully participating in the deliberations of the Special Committee, resigned from her position as a member of the Special Committee as of August 18, 2025, following the fourth meeting of the Special Committee, at her own request. Other than Ms. Yukari Oka's resignation, there have been no changes to the members of the Special Committee.

By mutual election of the Special Committee, Mr. Yoshikazu Goto was selected as the chairperson of the Special Committee. Each member of the Special Committee will receive a fixed remuneration as consideration for their duties, regardless of the content of the Report.

Based on the above-mentioned resolution of the Company's Board of Directors, the Company entrusted the Special Committee to inquire into and submit the Report to the Company regarding (a) the advisability of the Transaction (including whether the Transaction would contribute to enhancing the corporate value of the Company), (b) the fairness of the transaction terms of the Transaction (including whether the acquisition price, method of acquisition, type of consideration, and other terms are fair), (c) the fairness of the procedures relating to the Transaction (including whether sufficient procedures to ensure the fairness of the transaction terms have been implemented), and, based on the above items (a) through (c) and other relevant matters, (d) whether the Transaction is fair to the Company's general shareholders (items (a) through (d) are hereinafter referred to as the "Inquired Matters").

In referring these matters to the Special Committee, the Company's Board of Directors resolved to fully respect the opinions of the Special Committee in making decisions regarding the Transaction, including whether or not to support the Tender Offer, and that if the Special Committee determines that the Transaction is not appropriate, the Company's Board of Directors will not resolve to proceed with the Transaction. Furthermore, based on the above-mentioned resolution of the Company's Board of Directors, the Company granted the Special Committee the following authorities: (a) the authority to directly negotiate and discuss with the Offeror; (b) the authority to have officers and employees of the Company (limited to those without conflicts of interest) participate in negotiations and discussions at the discretion of the Special Committee, the authority to receive timely reports on the status of negotiations carried out by the Company and its advisors with the Offeror, and to substantially influence the negotiation process over the terms of the Transaction by, among other things, giving opinions, instructions, or requests at critical stages; (c) the authority to, when deemed necessary by the Special Committee, retain its own legal counsel, valuers, certified public accountants, or other advisors at the expense of the Company and appoint or request changes to the Company's advisors as well as give necessary instructions to such advisors; (d) the authority, when deemed necessary by the Special Committee, to appoint outside directors or external experts who are independent from Mr. Tomohiko Kimura and the outcome of the Transaction as members of the special committee.

(ii) Review process by the special committee

The Special Committee met a total of 11 times between July 7, 2025 and September 22, 2025, where it carefully reviewed and discussed the Inquired Matters.

Specifically, on July 7, 2025, the Special Committee first confirmed that Mizuho Securities, as the financial advisor and third-party valuator, and TMI Associates as the legal advisor, had no problems concerning their independence from the Tender Offer Related Parties or expertise and approved the appointment of each as advisors to the Company. The Special Committee also decided to obtain expert advice from the Company's advisors as necessary, confirmed that there were no issues in independence, expertise, or track record among candidates for third-party valuers, and on July 16, 2025, selected Plutus Consulting as its own third-party valuator, requesting that it perform a valuation of the Company Shares and issue fairness opinion. In addition, the Special Committee confirmed and approved that the internal structure established by the Company for reviewing the Transaction posed no issues from the perspective of independence and fairness, after receiving

explanations from the Company.

The Special Committee received explanations from TMI Associates concerning the background to the requirement for establishing a special committee and its roles and discussed measures to ensure the procedural fairness based on the legal advice regarding the process and methods for decision-making as well as points to consider in the process of decision-making regarding the Transaction. The Special Committee collected and examined various materials and information submitted by Mr. Tomohiko Kimura and the Offeror as well as the Company, and sent questions, including matters such as the background and purpose of the Transaction, measures expected to be taken by the Offeror after the Transaction, and other terms of the Transaction, to Mr. Tomohiko Kimura and received answers. Additional questions, including points such as the merits of implementing the Transaction and measures expected to be taken by the Offeror after the Transaction, were sent to Mr. Tomohiko Kimura, and after receiving the answers, the Special Committee interviewed the Company about the background and purpose of the Transaction, the reasons for considering the implementation of the Transaction to be necessary, and the Company's views on the management structure after the implementation of the Transaction and planned measures to be implemented.

Furthermore, the Special Committee had a direct meeting with Mr. Tomohiko Kimura, where the Special Committee received explanations concerning the detail, background, significance and purpose of the Transaction as well as planned measures to be taken following the Transaction, based on the above-mentioned questions and additional questions.

Further, the Special Committee confirmed that the Business Plan was prepared by parties independent from the Offeror, Mr. Tomohiko Kimura, the Non-Tendering Shareholders, Founding Family Agreed Tendering Shareholders, and the Kimura Nursing Foundation, received explanations regarding key assumptions from the Company, and confirmed and approved the rationality of the contents, key assumptions, and history of the creation of the final Business Plan.

Furthermore, the Special Committee received explanations from Mizuho Securities on the Share Valuation Report (Mizuho Securities) and from Plutus Consulting on the Share Valuation Report (Plutus) and the Fairness Opinion and conducted hearings on the premises and other matters relating to the valuation of the Company Shares.

As described in “(i) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” under “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” under “(2) Basis and reasons for the opinion” above, after the Company received a proposal from Mr. Tomohiko Kimura on August 22, 2025, to set the Tender Offer Price at 3,000 yen, the Company, based on advice including the results of the share valuation by Mizuho Securities as the third-party valuator of the Company and the share valuation by Plutus Consulting as the independent third-party valuator for the Special Committee, and advice including the Fairness Opinion and policies for negotiations with the Offeror, as well as advice from TMI Associates regarding measures to ensure the fairness of the Transaction, including the significance and role of the special committee and measures to avoid conflicts of interest, the Special Committee carefully considered the Tender Offer Price through fair procedures excluding the influence of the Offeror, and substantially participated in the process of negotiation with the Offeror regarding the terms of the Transaction via Mizuho Securities.

(iii) Determinations by the special committee

Under these circumstances, after careful discussion and consideration of the Inquired Matters, the Special Committee, on September 22, 2025, submitted the Report containing the following main points to the Company's Board of Directors, with the unanimous consent of all members. For details of the Report, including the reasons for its determinations, please refer to Appendix 1.

- (a) The Transaction is found to contribute to enhancing the corporate value of the Company (that is, the purpose of the Transaction is appropriate).
- (b) The terms and conditions of the Transaction are fair.
- (c) The procedures pertaining to the Transaction are fair.
- (d) In light of (a) through (c) above and other matters, the Transaction is fair to the Company's general shareholders.

(IV) Procurement of a share valuation report and a fairness opinion from an independent third-party valuator retained by

the Special Committee

As described in “(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee” above, the Special Committee requested Plutus Consulting, a third-party valuator independent of the Tender Offer Related Parties, to calculate the share value of the Company Shares and express an opinion on the fairness of the Tender Offer Price from a financial point of view (fairness opinion), and obtained the Share Valuation Report (Plutus) and the Fairness Opinion on September 22, 2025. Plutus Consulting is not a related party of the Tender Offer Related Parties and has no material interest in relation to the Transaction including the Tender Offer. The remuneration of Plutus Consulting regarding the Transaction is only a fixed remuneration that will be paid regardless of the success of the Transaction and does not include a contingency remuneration subject to the publication or consummation completion of the Transaction. For an overview of the Share Valuation Report (Plutus Consulting), please refer to “(II) Procurement of a share valuation report and a fairness opinion from an independent third-party valuator retained by the Special Committee” under “(3) Matters concerning calculation” above.

(V) Unanimous approval of all disinterested directors (including directors who are audit committee members) of the Company

On the basis of legal advice obtained from TMI Associates, the Share Valuation Report (Mizuho Securities) obtained from Mizuho Securities, the Share Valuation Report (Plutus), and the Fairness Opinion obtained from Plutus Consulting, the Company carefully examined the terms and conditions of the Transaction including the Tender Offer, while respecting the content of the Report to the maximum extent.

Consequently, as described in “(IV) The process leading to the Company’s decision-making; reasons” under “(2) Basis and reasons for the opinion” above, regarding the Tender Offer, the Company’s Board of Directors decided that the Transaction including the Tender Offer will contribute to the enhancement of the Company’s corporate value, the Tender Offer Price and other terms and conditions of the Tender Offer are fair to the Company’s shareholders, and the Tender Offer provides the Company’s shareholders with a reasonable opportunity to sell their shares. At the Company’s Board of Directors meeting held today, the Company’s directors who participated in deliberation and resolution (the seven directors excluding Mr. Tomohiko Kimura, Mr. Yosuke Kimura and Ms. Yukari Oka) unanimously resolved to express an opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer.

Of the Company’s directors, (i) Mr. Tomohiko Kimura is the proposer of the Transaction and the Representative Director of the Offeror, and intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction, and (ii) Mr. Yosuke Kimura has entered into the tender agreement with the Offeror, and LLAGE WOOD and SION which are asset management companies of Mr. Yosuke Kimura, of which Mr. Yosuke Kimura is a director, have entered into the Non-Tender Agreements with the Offeror, and Mr. Yosuke Kimura intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction. Therefore, Mr. Tomohiko Kimura and Mr. Yosuke Kimura did not in any way participate in the deliberation or voting in the meeting of the Company’s Board of Directors with respect to the statement of an opinion on the Tender Offer, nor did they have any role in the discussions and negotiations with the Offeror from the Company’s position. Notwithstanding the foregoing, (iii) Ms. Yukari Oka was absent from the above meeting of the Board of Directors of the Company due to personal reasons; however, it has been separately confirmed that, prior to the above Board meeting, Ms. Yukari Oka expressed his intention to concur with the resolution of the Board of Directors of the Company to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

(VI) Establishment of an independent review system by the Company

From the viewpoint of eliminating structural conflicts of interest, the Company has established a system within the Company to examine, negotiate and make judgment pertaining to the Transaction from a position independent of the Offeror, Mr. Tomohiko Kimura, the Non-Tendering Shareholders, Founding Family Agreed Tendering Shareholders and the Kimura Nursing Foundation. Specifically, of the Company’s directors, (i) Mr. Tomohiko Kimura is the proposer of the Transaction and the Representative Director of the Offeror, and intends to continue to be involved in the management of the Company as

its Representative Director after the completion of the Transaction, and (ii) Mr. Yosuke Kimura has entered into the tender agreement with the Offeror, and LLAGE WOOD and SION which are asset management companies of Mr. Yosuke Kimura, of which Mr. Yosuke Kimura is a director, have entered into the non-tender agreements with the Offeror, and Mr. Yosuke Kimura intends to continue to be involved in the management of the Company as its Representative Director after the completion of the Transaction. Therefore, Mr. Tomohiko Kimura and Mr. Yosuke Kimura did not in any way participate in the deliberation or voting in the meeting of the Company's Board of Directors with respect to the Transaction, nor did they have any role in the discussions and negotiations with the Offeror from the Company's position. This review system consists solely of officers and employees deemed independent of the Offeror, Mr. Tomohiko Kimura, the Non-Tendering Shareholders, Founding Family Agreed Tendering Shareholders (i.e., Director Toshiyuki Hatta and 12 employees of the Company) and the Kimura Nursing Foundation, and such practice has been maintained up to today.

Furthermore, the Special Committee has approved the conclusion that the Company's review structure (including the scope of officers and employees involved in the examination, negotiation and judgment of the Transaction, and their respective duties) presents no issues from the perspective of independence and fairness.

(VII) Securing objective conditions to ensure the fairness of the Tender Offer

The Offeror has set the Tender Offer Period at 36 business days, which is longer than the shortest period of 20 business days specified required by laws and regulations. By setting the Tender Offer Period for a relatively long period of time, the Offeror intends to ensure that the Company's shareholders have an appropriate opportunity to make judgment regarding the tender in the Tender Offer. The Offeror also aims to provide an opportunity for any competing acquirer to make a competing tender offer for the Company Shares, thereby ensuring the fairness of the Tender Offer.

In addition, the Offeror and the Company have not entered into any agreement, including any transaction protection clause that prohibits the Company from contacting a competing acquirer, or any agreement that restricts such competing acquirer from contacting the Company. In this way, in conjunction with the establishment of the Tender Offer Period described above, the Company will conduct indirect market check to ensure the fairness of the Tender Offer by securing opportunities for competing bids. Although no active market checks are being conducted for the Transaction, considering information management and the current Shareholding Ratio of the Non-Tendered Shares and Tendered Shares, (38.05%), it is unlikely that a counterproposal will be made against the Offeror's proposal. Therefore, the Company believes that the significance of conducting active market check is not substantial, and the fact that active market checks are not being conducted does not render the fairness of the Tender Offer insufficient.

4. Material agreements relating to the Tender Offer

(1) Non-Tender Agreement

According to the Offeror, the Offeror has entered into a Non-Tender Agreement with Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura, LLAGE WOOD, and SION respectively, as of today. Under these Non-Tender Agreements, these persons have agreed not to tender their Company Shares in the Tender Offer and, if the Tender Offer is consummated, to vote in favor of each of the proposals related to the Squeeze-Out Procedures at the Shareholders' Meeting. Furthermore, until the completion of the Company Shares Repurchase (and, regarding Mr. Tomohiko Kimura and Mr. Kenji Kimura, until the completion of the Squeeze-Out Procedures), they have agreed not to transfer, create any security interest in, or otherwise dispose of all or any part of the Company Shares they own (including, without limitation, by tendering such shares in any tender offer other than this Tender Offer), and not to acquire the Company Shares or any rights related thereto. In addition, the Non-Tender Agreements with Mr. Tomohiko Kimura and Mr. Kenji Kimura stipulate that, after the settlement of the Tender Offer is completed, Mr. Tomohiko Kimura and Mr. Kenji Kimura will each make the Investment to the Offeror and subscribe for the Offeror's common shares and Class A preferred shares. Moreover, pursuant to the Non-Tender Agreements entered into with CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura (Note 1), LLAGE WOOD, and SION respectively, each party has agreed to enter into the Stock Lending Transaction with Mr. Tomohiko Kimura if requested by the Offeror prior to the effective date of the Share Consolidation. Pursuant to the Non-Tender Agreements with LLAGE WOOD, SION, CTOK, WISE LIGHT, and LAPIS LAZULI, the Company has agreed to conduct the Company Shares

Repurchase with each counterparty (provided that, if the Stock Lending Transaction is executed, that Stock Lending Transaction will be terminated after the Share Consolidation becomes effective).

(Note 1) The Company Shares owned by Mr. Kenji Kimura include 12,118 restricted shares (consideration) which are subject to transfer restrictions and are therefore not subject to the agreement of the Stock Lending Transaction.

(2) Tender Agreement (Founding Family Agreed Tendering Shareholders)

According to the Offeror, the Offeror entered into the Tender Agreement (Founding Family Agreed Tendering Shareholders) with each Founding Family Agreed Tendering Shareholder as of today, under which each Founding Family Agreed Tendering Shareholder has agreed to tender their Founding Family Agreed Tendered Shares in the Tender Offer. The Offeror has not entered into any agreements with the Founding Family Agreed Tendering Shareholders other than the Tender Agreement (Founding Family Agreed Tendering Shareholders), and, apart from the cash consideration that Founding Family Agreed Tendering Shareholders may receive by tendering in the Tender Offer, there are no benefits to be provided by the Offeror to the Founding Family Agreed Tendering Shareholders.

(3) Tender/Non-Tender Agreement

According to the Offeror, the Offeror respectively entered into the Tender/Non-Tender Agreement with Mr. Michihide Kimura Related Shareholders as of today. Under the Tender/Non-Tender Agreement, Mr. Michihide Kimura Related Shareholders have agreed to tender or not to tender their Company Shares in the Tender Offer, and to vote in favor of each of the proposals related to the Squeeze-Out Procedures in the Shareholders' Meeting upon the successful completion of the Tender Offer. Furthermore, until the completion of the Squeeze-Out Procedures, with respect to all or any part of the Company Shares that have been agreed to be non-tendered, the parties have agreed not to transfer, grant any security interest in, or otherwise dispose of such shares (including, without limitation, by tendering them in any tender offer other than this Tender Offer), and not to acquire the Company Shares or any rights relating thereto. The Offeror has not entered into any agreements with the Mr. Michihide Kimura Related Shareholders other than the Tender/Non-Tender Agreement (Mr. Michihide Kimura Related Shareholders may receive by tendering in the Tender Offer, there are no benefits to be provided by the Offeror to the Mr. Michihide Kimura Related Shareholders.

(4) Tender Agreement (Kimura Nursing Foundation)

According to the Offeror, the Offeror entered into the Tender Agreement (Kimura Nursing Foundation) with the Kimura Nursing Foundation as of today. Under the Tender Agreement (Kimura Nursing Foundation), the Kimura Nursing Foundation agreed to tender its Kimura Nursing Foundation Agreed Tendered Shares in the Tender Offer, and to make the Foundation Reinvestment in the Offeror after the completion of settlement of the Tender Offer and subscribe for the Offeror's subordinated bonds. The Offeror has not entered into any agreements with the Kimura Nursing Foundation other than the Tender Agreement (Kimura Nursing Foundation), and, apart from the cash consideration that the Kimura Nursing Foundation may receive by tendering in the Tender Offer, there are no benefits to be provided by the Offeror to the Kimura Nursing Foundation.

5. Details of Benefits Provided by the Offeror or its Specially Related Parties

N/A

6. Response Policies Regarding Basic Policies for the Control of the Company

N/A

7. Questions to the Offeror

N/A

8. Request for Extension of the Tender Offer Period

N/A

9. Future Outlook

Please refer to “(II) Background and purposes of the Tender Offer and decision-making process leading to the implementation of the Tender Offer” and “(III) Management policy, etc., after implementation of the Tender Offer” under “(2) Basis and reasons for the opinion”, “(4) Possibility for delisting; reasons”, and “(5) Policies on the organizational restructuring, etc. after the Tender Offer (matters concerning ‘two-step acquisition’)” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” above.

10. Matters Relating to MBO, etc.

(1) Applicability to MBO, etc.

Mr. Tomohiko Kimura is an officer of the Company, and the Transaction including the Tender Offer is subject to the “Matters to be Observed Pertaining to MBOs, etc.” set forth in Article 441 of the TSE Securities Listing Regulations.

(2) Matters concerning measures for ensuring fairness and measures for avoiding conflicts of interest

As described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” above, the Company has implemented measures for ensuring fairness and measures for avoiding conflicts of interest in connection with the Transaction including the Tender Offer.

(3) Opinion of the Special Committee regarding fairness to general shareholders

As described in “(III) Establishment of an independent special committee at the Company and procurement of written report from the special committee” under “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” under “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” above, the Company has received the Report from the Special Committee regarding the fact that the Transaction including the Tender Offer is fair to the Company’s general shareholders. Please refer to Appendix 1 for details of the Report.

11. Other

(1) Notice Regarding Revision of Earnings Forecasts

The Company published the “Notice regarding Revision of Earnings Forecasts” dated today. For details, please refer to the notice.

(2) Notice Regarding Revision to Interim and Year-End Dividend Forecasts for the Fiscal Year Ending March 2026 (No Dividend), and Abolition of the Shareholder Benefit Plan

At the meeting of the Company’s Board of Directors held today, the Company resolved to revise its dividend forecast for the fiscal year ending March 2026 and not pay any interim dividends for the fiscal year ending March 2026, and, subject to the successful completion of the Tender Offer, not pay any year-end dividends for the fiscal year ending March 2026, and abolish the shareholder benefit plan starting from the fiscal year ending March 2026. For details, please refer to the notice.

(3) (Amendment) Notice Regarding Partial Amendment of “Notice Regarding Disposal of Treasury Shares as a Restricted Stock Incentive for the Employee Shareholding Association”

The Company published the “(Amendment) Notice Regarding Partial Amendment of the October 31, 2022 ‘Notice Regarding Disposal of Treasury Shares as a Restricted Stock Incentive for the Employee Shareholding Association’” and the “(Amendment) Notice Regarding Partial Amendment of the June 27, 2024 ‘Notice Regarding Disposal of Treasury Shares as a Restricted Stock Incentive for the Employee Shareholding Association’” dated today. For details, please refer to the notices.

Reference

Report (Appendix 1)

“Notice Concerning Commencement of Tender Offer for the Common Shares of Paramount Bed Holdings Co., Ltd. (Securities

Code: 7817) by TMKR Co., Ltd.” (Appendix 2)

End

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 and documents it incorporates by reference thereto do 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 nor documents it incorporates by reference thereto (or any part of them) nor the fact of their 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 accordance with the procedures and disclosure standards set forth under the Act, which are not necessarily the same as the procedures and standards applied in the U.S. In particular, the provisions of Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; hereinafter the same) and the related rules stipulated thereunder do not apply to the Tender Offer, and the Tender Offer is not carried out in compliance with these procedures and standards. All financial information included in this press release and documents it incorporates by reference thereto are created based on accounting principles in Japan, and the contents thereof are not necessarily the same as the financial statements of U.S. companies. In addition, since the Offeror and the Company are corporations incorporated outside the U.S. and all or some of their directors and officers are not U.S. residents, it may be difficult to exercise rights or make claims which may be asserted under U.S. securities related laws. Further, it may not be possible to commence legal proceedings against a non-U.S. entity or its directors and officers in a court outside of the U.S. for violation of U.S. securities related laws. Furthermore, non-U.S. entities and their affiliates, directors or officers may not be subject to U.S. jurisdiction.

The Offeror and the Company's financial advisors, tender offer agents, and their affiliates may, in their normal course of business, to the extent permitted by the Act and other applicable laws and regulations, and in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act of 1934, purchase, or otherwise take steps towards the purchase of, the Company Shares outside of the Tender Offer on their own account or on behalf of their clients during the period for the purchase, etc., in the Tender Offer. Such purchases may be conducted at market prices through market transactions, or at prices determined through negotiations off-market. If information pertaining to such purchases are disclosed in Japan, disclosures will be made in the same method in the U.S.

Unless otherwise specified, procedures relating to the Tender Offer are to be conducted entirely in Japanese. While some or all of the documents related to the Tender Offer are prepared in the English language, if there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation shall prevail.

This press release and documents it incorporates by reference thereto include "forward-looking statements" as defined under Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act of 1934. The results may significantly differ from those explicitly or implicitly indicated as "forward-looking statements" due to known or unknown risks, or uncertainties, or other causes. Neither the Offeror, the Company, nor any of their affiliates can provide assurance that such results explicitly or implicitly indicated as "forward-looking statements" will be realized. The "forward-looking statements" in this press release and documents it incorporates by reference thereto were prepared based on the information held by the Offeror as of the day of submission of this press release, and unless required by laws and regulations, the Offeror, the Company or their affiliates are not obliged to change and/or modify such statements in order to reflect any event or condition in the future.

Other Countries

In some countries or regions, the announcement, issuance, or distribution of this press release may be subject to

legal restrictions. In such cases, please be aware of and comply with such restrictions. The announcement, issuance, or distribution of this press release shall not constitute a solicitation of an offer to purchase or a solicitation of an offer to sell share certificates, etc. relating to the Tender Offer, and shall be regarded solely as the distribution of information for informational purposes.

Report

To Paramount Bed Holdings Co., Ltd.

September 22, 2025

Special Committee of Paramount Bed Holdings Co., Ltd.

Yoshikazu Goto, Chairperson

Arei Shirai, Committee Member

Naoko Harima, Committee Member

Part I. Inquired Matters to the Special Committee

With regard to the series of procedures under which TMKR Co., Ltd. (the “**Offeror**”) plans to acquire the common shares (“**Company Shares**”) of Paramount Bed Holdings Co., Ltd. (the “**Company**”) that are listed on the Prime Market of the Tokyo Stock Exchange (“**Prime Market of TSE**”) operated by Tokyo Stock Exchange, Inc. (“**TSE**”) (excluding the treasury shares held by the Company, and the Company Shares owned by Mr. Tomohiko Kimura, the representative director of the Company (“**Mr. Tomohiko Kimura**”), CTOK Co., Ltd. (“**CTOK**”), WISE LIGHT Co., Ltd. (“**WISE LIGHT**”) and LAPIS LAZULI Co., Ltd. (“**LAPIS LAZULI**”), asset management companies of Mr. Tomohiko Kimura, Mr. Kenji Kimura, who is a relative of Mr. Tomohiko Kimura (“**Mr. Kenji Kimura**”), and LLAGWOOD Co., an asset management company of Mr. Yosuke Kimura (“**LLAGEWOOD**”) and SION Co., Ltd., an asset management company of Mr. Yosuke Kimura (“**SION**”)) and to delist Company Shares through a tender offer (the “**Tender Offer**”) and subsequent procedures (the “**Squeeze-Out Procedures**”; collectively with the Tender Offer, the “**Transaction**”), such transaction is to be carried out as part of a so-called management buyout (MBO) in which Mr. Tomohiko Kimura, who is the President and

Chief Executive Officer of the Company, and his relative, Mr. Yosuke Kimura, who is the Executive Vice President of the Company (“**Mr. Yosuke Kimura**”), plan to continue to be involved in the management of the Company after the Transaction; accordingly, given that this may cause a structural conflict of interest to arise when the Company considers the Transaction at the Company, the Company’s Board of Directors made inquiry of the following matters (“**Inquired Matters**”) with the Special Committee.

- [1] The advisability of the Transaction (including whether the Transaction would contribute to enhancing the corporate value of the Company).
- [2] The fairness of the transaction terms of the Transaction (including whether the acquisition price, method of acquisition, type of consideration, and other terms are fair);
- [3] The fairness of the procedures relating to the Transaction (including whether sufficient procedures to ensure the fairness of the transaction terms have been implemented); and based on the above items
- [4] [1] through [3] and other relative matters, whether the Transaction is fair to the Company’s general shareholders.

Part II. Review Structure etc. of the Special Committee

The Special Committee was established by a resolution adopted at the meeting of the Company’s Board of Directors held on June 20, 2025, as a committee initially consisting of two members, Mr. Yoshikazu Goto (outside director (audit and supervisory committee member) of the Company) and Ms. Yukari Oka (outside director (audit and supervisory committee member) of the Company), both of whom are independent of the Tender Offer

Related Parties¹ and have no interests in the success or failure of the Transaction, and the Special Committee was notified of the Inquired Matters as of the same day (June 20, 2025) (as the Securities Listing Regulations pertaining to the provisions relating to MBOs etc. and the Enforcement Rules of said regulations were amended on July 22, 2025, the Company gave notice on August 29, 2025 to the effect that the contents of the inquired matters had been changed to the Inquired Matters to ensure that the contents of the inquired matters to the Special Committee strictly conform to such amendment).

Subsequently, on July 1, 2025, before the first meeting of the Special Committee was held, the Special Committee additionally appointed as members of the Special Committee Ms. Arei Shirai and Ms. Naoko Harima, both of whom were elected as outside directors (audit and supervisory committee members) of the Company at the ordinary Shareholders' Meeting of the Company held on June 27, 2025, and both of whom are independent of the Tender Offer Related Parties and have no interests in the success or failure of the Transaction.

(Ms. Yukari Oka, due to personal reasons that could potentially prevent her from fully participating in the deliberations of the Special Committee, resigned from her position as a member of the Special Committee as of August 18, 2025, following the fourth meeting of the Special Committee, at her own request. Therefore, she did not attend any meeting from the fifth meeting of the Special Committee nor did she participate in preparation of the Report.)

The Special Committee elected Mr. Yoshikazu Gogo as the chairperson of the Special Committee by mutual vote at its first meeting, held on July 7, 2025.

¹ The "Tender Offer Related Parties" means the Offeror, Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura, Mr. Yosuke Kimura, LLAGWOOD, SION, Mr. Michihide Kimura, who is a relative of Mr. Tomohiko Kimura and the special advisor of the Company ("Mr. Michihide Kimura"), RAMOON Co., Ltd. Mr. Kyosuke Kimura, a relative of Mr. Tomohiko Kimura, Ms. Chieko Kimura, a relative of Mr. Tomohiko Kimura, Ms. Kazue Kimura, a relative of Mr. Tomohiko Kimura, Ms. Maiko Koga, a relative of Mr. Tomohiko Kimura, Mr. Shigenori Koga, a relative of Mr. Tomohiko Kimura, the Kimura Foundation for Nursing Education, and the Company. Hereinafter the same applies.

As a result, the Special Committee engage in consideration with the following members having the following positions.

- Special Committee chairperson: Yoshikazu Gogo
- Special Committee member: Yukari Oka (*resigned as of August 18, 2025)
- Special Committee member: Arei Shirai
- Special Committee member: Naoko Harima

The Special Committee carefully considered and deliberated the Inquired Matters at a total of 11 meetings held between July 7, 2025 and September 22, 2025.

Specifically, on July 7, 2025, the Special Committee first confirmed that Mizuho Securities Co., Ltd. (“Mizuho Securities”), as the financial advisor and third-party valuator, and TMI Associates as the legal advisor, had no issues regarding their independence from the Tender Offer Related Parties or their expertise, and approved the appointment of each as advisors to the Company, and then decided to obtain expert advice from the Company’s advisors as necessary. The Special Committee also decided to procure a share valuation report from its own valuator. After confirming that there were no issues regarding independence, expertise, or track record among candidates for third-party valutors, on July 16, 2025, the Special Committee selected Plutus Consulting Co., Ltd. (“**Plutus Consulting**”) as its own third-party valuator and decided to request that it perform a valuation of the Company Shares and issue a fairness opinion.

The Special Committee received explanations from TMI Associates concerning the background to the requirement for establishing a special committee and its roles, and discussed measures to ensure procedural fairness based on the legal advice regarding the process and method for decision-making as well as points to consider in the process of decision-making regarding the Transaction, the Special Committee engaged in consideration regarding the measures to be implemented in order to ensure the fairness of

the procedures in the Transaction. The Special Committee collected and examined various materials and information submitted by Mr. Tomohiko Kimura and the Offeror as well as the Company, and sent questions, including matters such as the background and purpose of the Transaction, measures expected to be taken by the Offeror after the Transaction, and other terms of the Transaction, to Mr. Tomohiko Kimura and received his answers. Additional questions, including points such as the merits of implementing the Transaction and measures expected to be taken by the Offeror after the Transaction, were sent to Mr. Tomohiko Kimura, and after receiving his answers, the Special Committee interviewed the Company about the background and purpose of the Transaction, the reasons for considering the implementation of the Transaction to be necessary, and the Company's views on the management structure after the implementation of the Transaction and planned measures to be implemented.

Furthermore, the Special Committee had a direct meeting with Mr. Tomohiko Kimura, where the Special Committee received explanations concerning the detail, background, significance and purpose of the Transaction as well as planned measures to be taken following the Transaction, based on the above-mentioned questions and additional questions.

Further, according to the Company, the Special Committee confirmed that the Business Plan was prepared by parties independent from the Tender Offer Related Parties other than the Company, received explanations regarding key assumptions from the Company, and confirmed and approved the rationality of the contents, key assumptions and history of the creation of the final business plan.

Furthermore, the Company received a share valuation report pertaining to the Company Shares from Mizuho Securities dated September 22, 2025 (the “**Share Valuation Report (Mizuho Securities)**”) ,and the Special Committee received from Plutus Consulting a share valuation report pertaining to the Company Shares dated September 22, 2025 (the

“**Share Valuation Report (Plutus)**”) and a opinion stating that the purchase price per Company Share in the Tender Offer (the “**Tender Offer Price**”) is fair to the Company’s general shareholders from a financial perspective (the “**Fairness Opinion**”) and conducted hearings on the premises and other matters relating to the valuation of the Company Shares.

As described below, taking into account the share valuation results, the Fairness Opinion, and advice regarding negotiations with the Offeror and other matters from Mizuho Securities as the third-party valuator of the Company and Plutus Consulting as its own third-party valuator, as well as advice from TMI Associates regarding measures to ensure the fairness of the Transaction, including the significance and role of a special committee and measures to avoid conflicts of interest, the Special Committee carefully considered the Tender Offer Price through fair procedures free from the influence of the Offeror, and substantially participated in the process of negotiations with the Offeror regarding the transactional terms and conditions via Mizuho Securities.

The Special Committee considered the Inquired Matters in compliance with the July 22, 2025, amendment² to the Securities Listing Regulations relating to the provisions of MBOs etc. and the Enforcement Rules of said regulations, and the terms announced by TSE in conjunction with such amendment.

Part III. Opinion of the Special Committee

As a result of consideration and careful deliberation of the above, the Special Committee unanimously reports its opinions on the Inquired Matters as follows:

- [1] The Transaction is recognized as contributing the corporate value of the Company (the purpose of the Transaction is appropriate).
- [2] The transaction terms and conditions of the Transaction are fair.

² Article 441, Paragraph 1 and Paragraph 2 of the Securities Listing Regulations, and Article 436-3, Paragraph 1 through Paragraph 3 of the Enforcement Rules of said regulations.

[3] The procedures pertaining to the Transaction are fair.

[4] In light of [1] through [3] above and other matters, the Transaction is fair to the Company's general shareholders.

Part IV. Summary of Reasons for the Opinions and Details of Consideration

1. The advisability of the Transaction (including whether the Transaction would contribute to enhancing the corporate value of the Company)

(1) Overview of Purpose etc. of the Transaction

The Special Committee conducted written inquiries and responses, and interviews with the Company and Mr. Tomohiko Kimura, who proposed the Transaction and serves as the representative director of the Offeror, on the purpose of the Transaction and the specific details of how the Company's corporate value is expected to improve as a result of the Transaction and other matters. Details of the interviews are summarized as follows.

(a) Mr. Tomohiko Kimura views regarding the purpose of the Transaction and other related matters

- As of today, the business activities of the Company Group (meaning the Company, its 19 subsidiaries, and one affiliate) are enhancing the medical treatment environment in the medical and nursing care fields and are also providing products and services which contribute to improving work of medical and nursing care workers, primarily through Paramount Bed Co., Ltd., which manufactures and sells medical and nursing care beds, mattresses, hospital room furniture, and medical equipment, etc.; Paratechno Co., Ltd., which provides services such as inspection, repair, disinfection, and maintenance leasing for beds and mattresses; and Paramount Care Service Co., Ltd., which is engaged

in wholesale rental of welfare equipment, renting out a variety of welfare equipment, including Paramount Bed products, to welfare rental operators. In recent years, the Company Group has responded to social changes and has been diversifying its business and increasing the scale and activities of its business by expanding into welfare equipment wholesale rental and maintenance services. On April 1, 2020, the Company Group formulated the “Paramount Vision 2030” (the “**Long-Term Vision**”), which outlines its vision for 2030, with the slogan “Smiles for everyone from medical and nursing care to health field”, and, building on its technology and knowledge cultivated over many years in the medical and nursing care field, aims to contribute also to the healthcare field. Currently, the Company Group is focusing on the following core strategies in the second phase (from the fiscal year ended March 2024 to the fiscal year ending March 2027) of the medium-term management plan (the “**Medium-Term Management Plan**”) under its Long-Term Vision: “expansion of recurring revenue business,” “advancement of health promotion business,” and “leap forward in key areas in Aisa.”

- In the business environment for the relevant medical and nursing care fields for the Company Group, the Company understands that although aging is inevitably proceeding in 2025, when all baby boomers reach the age of 75 or older in Japan, the number of hospital beds itself is expected to decrease due to increasing cost of social security becoming an issue and the government’s basic policy of “from hospital to home.” Furthermore, the company group believes that a challenging environment for the management of medical and elderly care facilities in Japan will continue, due to ongoing labor shortages, as well as persistently high costs for utilities and materials. On the other hand, demand is expected to grow for products and systems that help reduce the burden on nursing and care staff, as

well as investments in highly acute care fields, among others. The home care market is expected to expand further as the country's population continues to age. Additionally, it is anticipated that the environment will continue to undergo significant changes in the future in the sense that creation of new value and innovation are accelerating in the healthcare industry due to growing trends among businesses and individuals to pay more attention to individual health, against the backdrop of decreasing working-age population, work style reforms, as well as increasing use of AI, IT, and data-driven businesses. Overseas, especially in Asia, further development of medical infrastructure is expected along with economic growth. In addition, the Company is aware that China is expected to experience population aging at a faster pace than Japan.

- Under these circumstances, the Company believes that, to adapt to the aforementioned business environment and future market changes, it must shift away from a revenue model reliant on one-time sale of medical and nursing care beds, mattresses, and similar products, and instead, must further expand recurring businesses that continuously provide value, such as rental and leasing, system usage fees for cloud-based monitoring support systems in the nursing care business, and contracted nursing support services in medical facilities (nursing assistant services, maintenance of beds with stationed services, concierge services, and medical equipment maintenance and management services) in medical care business while strengthening relationship with customers. In the health business, in Japan where a decline in the working-age population is unavoidable, it is crucial to extend healthy life expectancy and to curb the increase in the number of people receiving medical and nursing care. Thus, the Company is working so that the health business, as a business with high social contribution value, will become its third pillar, following its

medical and nursing care businesses. On the other hand, while the Company enjoys high name-recognition as a manufacturer of beds for medical and nursing care facilities, it faces the challenge of low recognition of its health-related products. The Company believes that going forward, it must enhance recognition of its products and businesses and develop products and services contributing to creating a better sleep environment that appeal to individual consumers.

- To implement these measures, the Company recognizes that it is necessary not only to manufacture and sell products, but also to invest in the expansion of recurring businesses, to develop various applications and software that automatically record information on patients and residents and visualize their status to reduce burdens in medical and nursing care settings, and that it is important to acquire such resources through proactive M&As. Furthermore, regarding overseas expansion, the Company believes that, going forward, it is required to build a globally competitive organization, and that this will be achieved by acquiring specialized personnel with immediate operational capabilities locally in regions centering around China where a declining birthrate and aging population are expected to progress and Asia, where market expansion can be expected as medical standards rise to match those of developed nations.
- Mr. Tomohiko Kimura believes that, given these circumstances, it will be difficult for the Company Group to achieve sustainable growth by merely continuing to develop its existing businesses as before. Specifically, he believes that implementing the following measures will enable the Company Group to further enhance its corporate value.
 - (i) Expanding investment in healthcare and nursing care services

Mr. Tomohiko Kimura anticipates an increase in investment in products and systems to reduce the burden on nursing and care staff as well as in high-acuity care fields. Within the care market, he believes that a certain level of up-front investment will be necessary in services enabling efficient care, such as Nemuri SCAN and Nemuri CONNECT, and in development related to systems, and in the establishment of maintenance bases in the welfare equipment rental wholesale business. Furthermore, since he anticipates that advancing recurring business will increase contact points with customers and lead to product development, he is considering encouraging the Company Group to make proactive investment. In addition, within Japan, the severe labor shortage due to talent outflow to other industries necessitates leveraging of technology and promotion of DX.

(ii) Expansion of brand strength through product development and promotion enhancement in the health promotion business

In the health promotion business, the Company Group's product lineup is limited, and it is positioned as a late entrant in the market. Therefore, Mr. Tomohiko Kimura believes that it is necessary to build the Company Group's product development and services from the ground up. While he does not anticipate major capital expenditures, he considers investment in the expansion of brand strength through product development and promotion enhancement to be essential. Although this approach may currently have negative results from the perspective of short-term cash flow and profitability, he believes it is necessary to focus on these areas as he considers market expansion is anticipated in the future. Mr. Tomohiko Kimura anticipates that medical infrastructure will expand alongside economic growth in overseas countries centering around Asia. Given that China is projected to experience

accelerated aging at a faster pace than Japan in the future, he intends to focus the Company Group's efforts on this field as a promising area for market growth, including making up-front investments.

- On the other hand, Mr. Tomohiko Kimura believes that, as long as the Company remains listed, management must be mindful of shareholders and the market, requiring consideration for securing and distributing short-term profits. He thinks that this makes it difficult to implement mid-to-long-term measures that would entail make up-front investments that could potentially lead to deterioration in short-term cash flow or profitability, or fundamental structural reforms. Furthermore, the measures outlined in (i) and (ii) above and the shift to recurring revenue model and the development of growth areas which are core strategies in the second phase (from the fiscal year ended 2024 to the fiscal year ending 2027) of the Medium-Term Management Plan may not immediately contribute to earnings. They involve considerable time and significant risk. He believes that it would be difficult to maintain the listing of Company Shares while asking the Company's shareholders to bear this risk and fully support the implementation of these measures. In addition, he believes that discussion of strategic response measures and swift management decisions to promptly implement such measures will be required more than ever before.
- Furthermore, Mr. Tomohiko Kimura believes that it is difficult to find a significant necessity in maintaining the Company's listing, given the increasing trend in the personnel and financial costs required to remain listed, along with growing demands from shareholders and the market. He considers that delisting would enable reductions in expenses such as those required for ongoing information disclosure, and those required for the operation of shareholder meetings and outsourcing administrative tasks to shareholder register

administrators and also facilitate faster decision-making.

- Furthermore, Mr. Tomohiko Kimura recognizes that the Company Group has enjoyed the benefits of being a listed company since its listing, such as enhancement in social credibility, and securing of talent owing to increased name recognition. On the other hand, considering the Company Group's current financial position, which allows it to secure the necessary funds for its business activities, he believes that the need for large-scale fundraising through equity financing is not substantial for the time being. Furthermore, he believes that the Company Group's social credibility and brand strength, which have been acquired through its business activities, are not qualities that would be lost through privatization, and that it is possible to maintain such social credibility and brand strength even after privatization. Therefore, he believes that it is difficult to identify a compelling need to continue maintaining the listing of Company Shares under the current circumstances.
- Additionally, as a general disadvantage associated with the privatization of the Company, there is a possibility that the Company Group may experience a negative impact on securing talent and expanding business relationships, which have been facilitated by the enhanced social credibility and name recognition it enjoyed as a listed company. However, Mr. Tomohiko Kimura believes that the impact will be limited. This is because the securing of talent and expansion of business relationships through enhanced social credibility and name recognition are also achieved through business activities, and it is considered that the Company Group's established brand strength and reputation would mitigate any adverse effects that privatization would cause on the securing of talent.

(b) The Company's views regarding the purpose of the Transaction and other related

matters

- Meanwhile, in view of the following matters etc., the Company also reached the conclusion that the measures contemplated by the Offeror are reasonable, and delisting Company Shares through the Transaction would contribute to enhancing the Company's corporate value.
- (i) Expanding investment in medical and nursing care services
 - It is recognized that, although Japan will inevitably see further aging in 2025 when all baby boomers reach the age of 75 or older, the number of hospital beds itself is expected to decrease due to the government's basic policy of "from hospital to home." Furthermore, the Company believes that a challenging environment for the management of medical and elderly care facilities in Japan will continue, due to ongoing labor shortages, as well as persistently high costs for utilities and materials. The Company considers that it is important to make recurring other than selling out high-functionality beds or products and services that help reduce the burden on nursing and care staff thereby strengthening the relationships between the Company and customers in order to enhance the enterprise value over the mid-to-long-term, and these will lead to business expansion over the mid-to-long-term. However, the expansion of recurring business and the improvement in profitability described above will require not only prior investment in recurring assets, but also prior investment for development of applications and software to utilize technology and promote DX necessary for the expansion of recurring business in addition to investment in maintenance facilities of recurring products.
 - Since making the recurring business a main source of revenue for the entire Company Group will take considerable time and may impair short-term cash

flow and profitability, the Company considers that the capital market may not fully appreciate such actions.

- The Company considers that the Transaction will give it an advantage in that privatization of Company Shares through the Transaction will enable the Company to make bold prior investment from the perspective of enhancing the mid-to-long-term corporate value without being restricted by short-term profits, which allows the Company to put more efforts in the expansion of recurring business than before.

(ii) Product development, promotion, and brand expansion in the health business

- The Company is working on the health business, whose market is expected to achieve further growth, aiming to make it a third pillar following the medical and nursing care business in order to enhance the mid-to-long-term corporate value. However, the Company considers that, while the Company enjoys high name-recognition as a manufacturer of beds for medical and nursing care purposes, its recognition among general individual consumers is low. The Company hence needs to make prior investment for brand expansion by development of new products and further promotion to general individual consumers. Since generating revenues from these investments will take considerable time, it is difficult to simultaneously pursue such actions and monetization from the short-term perspective.
- As in (i) above, the Company considers that the Transaction will give it an advantage in that privatization of Company Shares through the Transaction will enable the Company to make bold prior investment from the perspective of enhancing the mid-to-long-term corporate value without being restricted by short-term profits.

(iii) Expanding overseas businesses

- The Company recognizes the overseas businesses as an area having a potential of market growth going forward due to the expected improvement in medical infrastructures and economic growth mainly in Asian countries. On the other hand, the Company is still not well recognized in the Asian countries and needs to make prior investment for improvement in recognition and acquire competent talents in each country. In this regards, as in (i) and (ii) above, the Company considers that, while business expansion and improvement in profitability will take considerable time, the Transaction will give it an advantage in that privatization of Company Shares through the Transaction will enable the Company to make bold prior investment from the perspective of enhancing the mid-to-long-term corporate value without being restricted by short-term profits.
- On the other hand, the Company also examined the potential downsides of privatization of the Company Shares through the Transaction. While the Company intends to delist as a result of implementing the Transaction, this could potentially impact its ability to secure top talent and maintain or expand business relationships which have been facilitated by the enhanced social credibility and name recognition it enjoyed as a listed company. The Company recognizes that it already enjoys high name recognition and credibility within the medical and nursing care bed industry and has established a certain level of brand strength. Therefore, the Company believes the delisting will have limited impact on maintaining and expanding its business relationships. With regards to securing talent, the Company recognizes that, in addition to its high name recognition, credibility, and brand strength within the industry, many talents who seek employment with the Company find meaning in contributing to society through the Company's business activities. Since their reason for joining

is not necessarily limited to the Company being listed, the Company believes that the impact of privatization will be limited.

- Furthermore, while privatization would preclude fundraising through equity financing in the capital markets, the Company believes the need for large-scale financing via equity financing is low, given its current financial position of having already secured the necessary funds for its business activities.

(2) Consideration

A. Understanding of the Management Environment of the Company

As Mr. Tomohiko Kimura understands the business environment in the medical and nursing care segments to which the Company Group belongs, (i) while a challenging environment for the management of medical and elderly care facilities continues, the home care market is expected to expand going forward in the context of the advanced aging of society, (ii) in the sense that new value generation and innovation will be accelerated in the healthcare industry, the environment is expected to significantly change going forward, and (iii) overseas, particularly in Asia, economic growth and the improvement of medical infrastructures are expected; his understanding is substantially consistent with what the Special Committee learned from the Company in interviews, and nothing particularly unreasonable is found in his understanding.

B. Measures to Enhance Corporate Value Envisioned by Mr. Tomohiko Kimura

Measures envisioned by Mr. Tomohiko Kimura, such as expansion of investment in the medical and nursing care business, and expansion of brand power by intensifying product development and promotion in the health promotion business and overseas rollout fully take into account the Company's management environment described above, are specific and practical, and are consistent with what

the Special Committee learned from the Company in interviews, and such measures are found not to be unreasonable.

C. Advantages of the Transaction for the Company's Business

Privatization will facilitate up-front investments that could potentially lead to a short-term deterioration in cash flow or profitability, the implementation of medium-to-long-term measures that involve fundamental structural reforms, the consideration of strategic response measures, and the making of rapid business decisions in order to implement such measures promptly; these, in turn, will facilitate the implementation of the above measures to enhance corporate value; therefore, these aspects are found to be advantages that will be brought about by the Transaction.

Furthermore, no unreasonable aspects are found in the understanding that expenses required to disclose information on a continuous basis, expenses required to operate shareholders' meetings and administrative services entrusted to the shareholder registry administrator and other expenses will be reduced as a result of delisting.

D. Disadvantages of the Transaction for the Company's Business

The Company will be an unlisted company as a result of the Transaction; in general, the advantages of being a listed company include the following: a positive impact on expanding business partners and securing talent, and an ability to procure funds from the capital markets, which are facilitated by the enhanced social reputation and name recognition associated with being a listed company, but the Company's understanding is that since it already enjoys a high name recognition and reputation within the medical and nursing care bed industry and has established a certain level of brand strength, the impact of delisting on the maintenance and expansion of business partners will be limited, and that since many talented

individuals who seek employment with the Company find meaning in contributing to society through the Company's business activities, the impact of delisting on employment will be limited. Such understanding is affirmable and is not found to be unreasonable. Additionally, no unreasonable aspects are found in the explanation that there is no great need for large-scale fundraising through equity financing for the time being.

(3) Conclusion

As a result of careful deliberation and consideration in view of the matters described above, the Special Committee has determined that the transaction is recognized as contributing the Corporate value of the Company (the purpose of the Transaction is “appropriate”).

2. The fairness of the transaction terms of the Transaction (including whether the acquisition price, method of acquisition, type of consideration, and other terms are fair)

(1) Share Valuation Report by Mizuho Securities

According to the Share Valuation Report (Mizuho Securities) procured on September 22, 2025, by the Company from Mizuho Securities as a third-party valuator independent of the Tender Offer Related Parties, the range of the per-share value of the Company Shares is from 2,520 yen to 2,687 yen under the market price standard method, from 2,038 yen to 2,406 yen under the comparable multiple valuation method, and from 2,149 yen to 4,225 yen under the discounted cash flow method (“**DCF method**”).

The Special Committee received from Mizuho Securities detailed explanations on its calculation methods used for share valuation, and had question and answer sessions

after Mizuho Securities and the Company explained the selection of valuation methods, the process of preparing, and details and reasonableness of the financial projections and assumptions underlying, the Company's business plan which was the basis for valuation using the DCF method (including reasons for, background of, and reasonableness of, including fiscal years which expect a significant increase/decrease in free cash flow), the basis of calculation of the discount rate (including the confirmation that consideration has not been given to risk premiums), the basis for calculation of the going concern value, and other matters. As a result of subsequent consideration, the Special Committee did not find any unreasonable aspects in the process of preparing, and details and reasonableness of financial projections and assumptions for, the Company's business plan which is the basis for valuation using the DCF method, nor any other matters in light of general valuation practices.

The Tender Offer Price exceeds the upper limit value of the ranges of valuations under the Market price standard method and the comparable multiple valuation method, and also exceeds the median value of the range of valuation under the DCF method in the Share Valuation Report (Mizuho Securities).

(2) Share Valuation Report by Plutus Consulting

According to the Share Valuation Report (Plutus) procured on September 22, 2025, by the Special Committee from Plutus Consulting, its own third-party valuator independent of the Tender Offer Related Parties, the range of the per-share value of the Company Shares is from 2,520 yen to 2,687 yen under the Market price method, and from 3,291 yen to 3,935 yen under the DCF method.

The Special Committee received from Plutus Consulting detailed explanations on its calculation methods used for share valuation, and had question and answer sessions after Plutus Consulting and the Company explained the selection of valuation methods,

the process of preparing the Company's business plan which is the basis for valuation using the DCF method, and the details and reasonableness of financial projections and assumptions used (including reasons why fiscal years in which expect a significant increase/decrease in free cash flow are included, and the background and reasonableness of such reasons), the basis of calculation of the discount rate (including the confirmation that consideration has not been given to risk premiums), the basis for calculation of the going concern value, and other matters. As a result of subsequent consideration, the Special Committee did not find any unreasonable aspects in the process of preparing, or in the details or reasonableness of the financial projections and assumptions underlying, the Company's business plan which is the basis for valuation using the DCF method, nor any did it find any other matters that were unreasonable in light of general valuation practices.

The Tender Offer Price exceeds the upper limit value of the range of valuation under the Market price method, and is within the range of valuation under the DCF method and close to the median value of said range in the Share Valuation Report (Plutus).

(3) Reasonableness of Premium Levels Compared with Past Market Share Prices and Similar Cases

The Tender Offer Price (3,530 yen) represents a 31.37 % premium (rounded down to the second decimal point; hereinafter the same applies to numbers of premiums (%) over market share prices) over the closing price of 2,687 yen for the Company Shares on the Prime Market of TSE with a record date of (September 22, 2025) the business day immediately prior to the announcement date of the Transaction, a 32.06% premium over the simple average closing price of 2,673 yen (rounded down to the nearest whole number; hereinafter the same applies to calculation of simple average closing prices)

for the past one month up to that date, a 35.51% premium over the simple average closing price of 2,605 yen for the past three months up to that date, and a 40.08% premium over the simple average closing price of 2,520 yen for the past six months up to that date.

The level of the premium is considered appropriate and reasonable in comparison with the median premium of 36 cases of tender offers aiming at privatization through management buyouts (MBOs) targeting listed companies on the Prime Market of TSE (or, in cases published before the market segment was revised on April 4, 2022, listed companies on the First Section of the Tokyo Stock Exchange) that were announced after June 28, 2019, the publication date of the “Fair M&A Guidelines” established by the Ministry of Economy, Trade and Industry, and concluded by September 1, 2001 (excluding cases that initially failed but were subsequently completed through a re-offer). In these cases, the median premiums were a 40.83% premium over the closing price on the business day prior to the announcement, a 44.92% premium over the simple average of closing prices for the one month preceding the announcement, a 44.62% premium over the simple average of closing prices for the three months preceding the announcement, and a 43.33% premium over the simple average of closing prices for the six months preceding the announcement. In addition, since a 19.26% premium is applied relative to the all-time high price of the Company’s shares, which is 2,960 yen (intraday price on February 1, 2018), the tender offer price is evaluated as reflecting a reasonable and appropriate premium.

(4) Increase in Tender Offer Price through Negotiations by the Special Committee

A. Process of Review and Negotiation

The Special Committee had substantial discussions and negotiations on the Tender Offer Price many times with Mr. Tomohiko Kimura, who proposed the Transaction and serves as the representative director of the Offeror, from the perspective of

protecting the interests of general shareholders.

Specifically, on August 22, 2025, the Company received an initial price proposal from Mr. Tomohiko Kimura in which the Tender Offer Price was set at 3,000 yen (the price reflects a premium of 12.78% over the closing price of 2,660 yen for the Company Shares on the TSE Prime Market on the business day preceding the date of the price proposal, a 14.90% premium over the simple average closing price of 2,611 yen for the past one month up to that date, a 17.19% premium over the simple average closing price of 2,560 yen for the past three months up to that date, and a 19.57% premium over the simple average closing price of 2,509 yen for the past six months up to that date). In response, on August 27, 2025, the Special Committee requested an increase in the proposed price, stating that the proposed price could not be considered sufficient as a price to appropriately distribute to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction.

On August 28, 2025, the Company received the second price proposal from Mr. Tomohiko Kimura in which the Tender Offer Price was set at 3,200 yen based on the Company's financial condition and most recent share price trends, and premiums adopted in similar cases in the past (this price reflects a premium of 21.86% over the closing price of 2,626 yen of the Company Shares on the Prime Market of TSE on the business day preceding the date of the price proposal, a 21.90% premium over the simple average closing price of 2,625 yen for the past one month up to that date, a 24.42% premium over the simple average closing price of 2,572 yen for the past three months up to that date, and a 27.49% premium over the simple average closing price of 2,510 yen for the past six months up to that date). In response, on September 1, 2025, the Special Committee requested an increase in the proposed price, stating that the second proposed price still could not be considered sufficient as a price to appropriately

distribute to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction.

Subsequently, on September 2, 2025, the Company received the third price proposal from Mr. Tomohiko Kimura in which the Tender Offer Price was set at 3,350 yen based on the Company's financial condition and most recent share price trends, and premiums adopted in similar MBO cases in the past (this reflects a premium of 27.09% over the closing price of 2,636 yen for the Company Shares on the Prime Market of TSE on the business day preceding the date of the price proposal, a 26.89% premium over the simple average closing price of 2,640 yen for the past one month up to that date, a 29.90% premium over the simple average closing price of 2,579 yen for the past three months up to that date, and a 33.41% premium over the simple average closing price of 2,511 yen for the past six months up to that date). In response, on September 3, 2025, the Special Committee requested an increase in the proposed price, stating that the third proposed price still could not be considered sufficient as a price to appropriately distribute to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction.

Subsequently, on September 9, 2025, the Company received from Mr. Tomohiko Kimura the fourth price proposal in which in view of the Company's financial situation and recent trends of the Company's share price, the Tender Offer Price was set at 3,450 yen (this reflects a premium of 26.70% over the closing price of 2,723 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of the fourth price proposal, a 30.04% premium over the simple average closing price of 2,653 yen for the past one month up to that date, a 33.36% premium over the simple average closing price of 2,587 yen for the past three months up to that date, and a 37.34% premium over the simple average closing price of 2,512 yen for the past six months up to that date). In response, on September 10, 2025, the Special Committee

requested an increase in the fourth proposed price on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that at the level of the fourth proposed price, from a perspective of protecting general shareholders' interests, it is necessary to set a MoM for minimum number of shares to be purchased in the Tender Offer.

Subsequently, on September 12, 2025, the Company received from Mr. Tomohiko Kimura the fifth price proposal in which in view of the Company's financial situation and recent trends of the Company's share price, the Tender Offer Price was set at 3,500 yen (this reflects a premium of 29.68% over the closing price of 2,699 yen of the Company Shares on the Prime Market of the TSE on the business day preceding the date of the fifth price proposal, a 31.58% premium over the simple average closing price of 2,660 yen for the past one month up to that date, a 34.98% premium over the simple average closing price of 2,593 yen for the past three months up to that date, and a 39.17% premium over the simple average closing price of 2,515 yen for the past six months up to that date), and a MoM would not be set on the grounds that it may make the successful completion of the Tender Offer uncertain and may not contribute to interests of the Company's general shareholders tendering their shares in the Tender Offer. In response, on September 12, 2025, the Special Committee requested a raise of the fifth proposed price, including consideration of setting the Tender Offer Price at 3,800 yen, on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the value expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that at the level of the fifth proposed price, from a perspective of protecting general shareholders' interests, it is

necessary to set a MoM for the minimum number of shares to be purchased in the Tender Offer.

Subsequently, on September 17, 2025, the Company received from Mr. Tomohiko Kimura the sixth price proposal taking into fullest consideration the price presented by the Special Committee. The Tender Offer Price was set at 3,530 yen (this price reflects a premium of 30.45% over the closing price of 2,706 yen of the Company Shares on the Prime Market of TSE on the business day preceding the date of price proposal, a 32.46% premium over the simple average closing price of 2,665 yen for the past one month up to that date, a 35.93% premium over the simple average closing price of 2,597 yen for the past three months up to that date, and a 40.25% premium over the simple average closing price of 2,517 yen for the past six months up to that date), a MoM condition would not be set on the grounds that it may make the successful completion of the Tender Offer uncertain and may not contribute to interests of the Company's general shareholders tendering their shares in the Tender Offer and considering the burden of repaying the loan from financial institutions after the Transaction in consideration of the Company's financial situation, a further increase of the Tender Offer Price is not realistically expected. In response, on September 17, 2025, the Special Committee requested a raise of the sixth proposed price, including consideration of setting the Tender Offer Price at 3,650 yen, on the grounds that the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the price expected to be realized in the future through the implementation of the Transaction. The Special Committee also responded that provided that the Offeror seriously consider raising the proposed price, from a perspective of protecting general shareholders' interests, it would accept the Offeror's not setting MoM s condition.

Subsequently, on September 19, 2025, the Company received a seventh price

proposal from Mr. Tomohiko Kimura. After considering the practical feasibility of the Transaction in light of the Company's financial condition and the post transaction borrowing repayment burden, Mr. Tomohiko Kimura reiterated in the seventh price proposal that the sixth proposal represented his final offer made with maximum consideration for the interests of the Company's general shareholders and confirmed that he would maintain the Tender Offer Price at 3,530 yen and that the Transaction would provide the Company's general shareholders with an attractive and adequate opportunity to sell their shares at a fair price that includes an appropriate premium over the market price, and that failure to execute the Transaction and thereby forfeit that opportunity would not be in the interests of the Company's general shareholders. In response, Mr. Tomohiko Kimura received a response from the Special Committee on September 19, 2025, confirming the reasonableness of the seventh proposed price and notifying its acceptance of the Tender Offer Price of 3,530 yen. The Offeror and the Special Committee have agreed not to set a MoM for the minimum number of shares to be purchased in the Tender Offer, on the basis that setting a MoM could destabilize the consummation of the Tender Offer and, in turn, could be detrimental to the interests of the Company's general shareholders.

B. Evaluation of the Negotiation Process

(a) Number of Negotiation Sessions

As described above, the Special Committee negotiated with the Offeror six times, seeking a raise of the tender offer price proposed by the Offeror, as a result of which the Special Committee succeeded in raising the tender offer price five times. In this regard, in MBOs for the purpose of delisting in the past five years, the average number of proposals of a tender offer price and responses to such proposals between a tender offer or and a target company is five times, and in comparison with such

number, it can be said that the Special Committee negotiated with the Offeror a large number of times.

It can be said that in this way, without giving any consideration to the Offeror, the Special Committee made effort and engaged in negotiations so that the Transaction would be implemented with terms and conditions as favorable as possible for general shareholders.

(b) Negotiation Method

In the negotiation process above, until the response to the fourth proposed price, the Special Committee requested a raise of the proposed price without indicating a specific price. This is because the Special Committee believed that it would be better not to reveal its concrete approach at an earlier stage of negotiations in order to gain an upper hand in the negotiations and obtain more favorable terms and conditions for general shareholders.

On the other hand, regarding the fifth proposed price and the sixth proposed price, the Special Committee requested a raise of the proposed price by indicating specific prices: 3,800 yen against the fifth proposed price and 3,650 yen against the sixth proposed price. This is because the Special Committee believed that as the Offeror reduced the amount of the increases in the proposed price each time (200 yen in the second proposed price, 150 yen in the third proposed price and 100 yen in the fourth proposed price), under such circumstances, it would be better to indicate a specific price to increase the possibility of obtaining more favorable terms and conditions for general shareholders.

Further, according share valuations (interim reports) as explained by the third-party valuers (Mizuho Securities and Plutus Consulting) as of the time the Special Committee indicated such specific prices, the fifth proposed price and the sixth proposed price of the Offeror exceeded the median values of the ranges of valuations

under the DCF method conducted by Mizuho Securities and, the fifth proposed price and the sixth proposed price of the Offeror were at a level close to the median values of valuations under the DCF method conducted by Plutus at that point in time. With the understanding that either of such prices could be ultimately said to be a price that appropriately distributes to the Company's shareholders a proper portion of the price expected to be realized in the future through the implementation of the Transaction, the Special Committee still chose to tell the Offeror, "the proposed price cannot be considered sufficient as a value that appropriately distributes to the Company's shareholders a proper portion of the price expected to be realized in the future through the implementation of the Transaction", in an attempt to obtain more favorable terms and conditions for general shareholders. In considering the specific prices to indicate, the Special Committee believed that presenting a number close to the third quartile³ of the range of valuation under the DCF method conducted by the third-party valuator (Plutus Consulting to which the Special Committee independently made the request) (3,800 yen, which was presented in response to the fifth proposed price) or a number exceeding the median value of said range (3,650 yen, which was presented in response to the sixth proposed price) would provide a certain basis for the prices presented by the Special Committee, and would contribute to obtaining more favorable terms and conditions for general shareholders.

Furthermore, the Special Committee engaged in negotiations using a so-called majority of minority condition as a negotiation means to obtain a tender offer price more favorable to general shareholders. When the fifth proposed price was presented, the Offeror explained that a majority of minority condition had not been set on the grounds that it may make the successful completion of the Tender Offer uncertain

³ In the Report, the third quartile means a number at 75% above the lower limit of the range.

and may not contribute to interests of the Company's minority shareholders wishing to tender their shares in the Tender Offer, and the Special Committee found such explanation reasonable to a certain degree and considered that it would not be necessary to set a majority of minority condition in the Transaction. However, using a majority of minority condition as a negotiation means to obtain a tender offer price more favorable to the general shareholders, as described above, the Special Committee still chose to tell the Offeror, "at the level of the fifth proposed price, from the perspective of protecting the interests of general shareholders, it is necessary to set a majority of minority condition for a minimum number of shares to be purchased in the Tender Offer." In such negotiations, the Special Committee ultimately succeeded in raising the proposed price from 3,500 yen (the fifth proposed price) to 3,530 yen (the sixth proposed price).

In this way, the Special Committee negotiated with the Offeror in a very strategic way in light of the professional advice from its advisors.

(c) Negotiation Results

As a result of the negotiations above, the price was raised by 530 yen from the initial proposal of 3,000 yen per Company Share made by Mr. Tomohiko Kimura until the Tender Offer Price was decided at 3,530 yen.

C. Fairness of Procedures in Negotiation Process

The Special Committee was authorized to negotiate with the aim of negotiating, without the impact of Mr. Tomohiko Kimura, who represents the Offeror, in order to make the terms and conditions more favorable to the Company's general shareholders in the Transaction, and the Special Committee took the lead in negotiations with the Offeror on the tender offer price.

Each time it received a proposed price from the Offeror, the Special Committee deliberated and decided a negotiation policy in light of advice from the experts, and

then negotiated with the Offeror.

Therefore, it can be said that the procedures in the negotiation process were fair.

D. Conclusion

Given the above, it can be said that the terms and conditions of the Transaction including the Tender Offer Price resulted from appropriate and sufficient negotiations conducted by the Special Committee, and substantially comparable to arms-length negotiations in transactions between independent parties.

(5) Consideration to Be Delivered in Post-Tender Offer Procedures

General shareholders who do not tender their shares in the Tender Offer will ultimately receive cash in the delisting procedures to be carried out after the Tender Offer, and it is planned that it will be announced in a press release and elsewhere that the amount of cash to be delivered in such procedures will be calculated so as to be the same as the amount that would be obtained by the number of Company Shares that had been owned by the relevant shareholder by the Tender Offer Price.

While a share consolidation is planned as the Squeeze-Out Procedures, under law, shareholders who do not tender their shares in the Tender Offer are entitled to demand the purchase of their shares or to petition that a court decide the price.

As described above, in the Transaction including the Tender Offer, it can be said that consideration has been given to the interests of minority shareholders who do not wish to tender their shares in the Tender Offer, addressing the issue of what is called coercion, and the terms of such squeeze-out procedures are considered to have a certain reasonableness.

(6) Company Share Repurchase Price

After the share consolidation to be carried out after the Tender Offer is successfully

completed (the “**Share Consolidation**”) takes effect, it is planned that the Company will acquire all of the Company Shares owned by LLAGWOOD and SION, the number of common shares of the Company held by CTOK equivalent to 1,110,757 common shares of the Company as of the time immediately preceding the Squeeze-Out Procedures taking effect, the number of common shares of the Company held by WISE LIGHT equivalent to 908,801 common shares of the Company as of the time immediately preceding the Squeeze-Out Procedures taking effect, and the number of common shares of the Company held by LAPIS LAZULI equivalent to 1,077,097 common shares of the Company as of the time immediately preceding the Squeeze-Out Procedures taking effect (the “**Company Shares Repurchase**”); the price of Company Shares Repurchase (2,755 yen per Company Share prior to the Share Consolidation) will be set so that (i) the amount calculated as after-tax proceeds in a case where LLAGWOOD, SION, CTOK, WISE LIGHT and LAPIS LAZULI, all of which are corporations subject to the system excluding deemed dividends from gross revenue provided by the Corporate Tax Act (Law No. 34 of 1965; as amended), participate in the Company Shares Repurchase (ii) will be no greater than the amount calculated as after-tax proceeds in a case where LLAGWOOD, SION, CTOK, WISE LIGHT and LAPIS LAZULI had tendered their shares in the Tender Offer, and thus, no inequality will arise between LLAGWOOD, SION, CTOK, WISE LIGHT and LAPIS LAZULI on the one part and the Company’s general shareholders on the other part.

(7) Fairness of Type of Consideration for the Transaction

While the consideration for the Transaction will be cash throughout the Tender Offer and the Squeeze-Out Procedures to be carried out thereafter, given that the Offeror is an unlisted company, it can be said that instead of using the illiquid shares of the Offeror, using cash as said consideration in the Transaction is fair.

(8) Conclusion

As a result of careful discussion and consideration in view of the matters described above, the Special Committee has determined that the terms and conditions of the Transaction, including the level of consideration for acquisition, the method of acquisition and the type of consideration for acquisition, are fair.

3. The fairness of the procedures relating to the Transaction (including whether sufficient procedures to ensure the fairness of the transaction terms have been implemented); and based on the above items

(1) Procurement of a Share Valuation Report from an Independent Third-Party Valuator Retained by the Company

For the purpose of expressing its opinion regarding the Tender Offer, the Company requested Mizuho Securities, a financial advisor and third-party valuator independent of the Tender Offer Related Parties, to evaluate the Company Shares to ensure the fairness in the process of making decisions on the Tender Offer Price offered by the Offeror, and obtained the Share Valuation Report (Mizuho Securities) dated September 22, 2025. In addition, Mizuho Securities is not a party related to the Tender Offer Related Parties nor does it have any material interest in the Transaction including the Tender Offer that should be disclosed. Fees to Mizuho Securities in connection with the Transaction do not include an incentive fee payable on condition of successful completion of the Transaction.

(2) Procurement of Advice from an Independent Law Firm By the Company

The Company appointed TMI Associates as a legal advisor independent of the

Tender Offer Related Parties and obtained necessary legal advice from TMI Associates on the method and process of the decision-making by the Company's Board of Directors and other points of attention including procedures for the Transaction including the Tender Offer, to ensure the fairness and appropriateness of the decision-making by the Company's Board of Directors with respect to the Transaction including the Tender Offer. For the avoidance of doubt, TMI Associates is not a party related to the Tender Offer Related Parties, nor does it have any material interest in the Transaction including the Tender Offer that should be disclosed. Fees to TMI Associates are calculated by multiplying the hourly rate by working hours regardless of whether the Transaction is successfully completed or not, and do not include an incentive fee payable on condition of successful completion of the Transaction.

(3) Establishment of a Special Committee

Given that the Transaction constitutes a so-called management buyout (MBO), and there are typically structural conflicts of interest with the Company or its general shareholders, for the purpose of ensuring careful deliberation in decision-making by the Company regarding the Transaction and eliminating arbitrariness and conflicts of interest within the decision-making process of the Company's Board of Directors and ensuring the fairness thereof, based on a resolution of the Company's Board of Directors at a meeting held on June 20, 2025, the Company established a special committee consisting of two members, Mr. Yoshikazu Goto (outside director (audit and supervisory committee member) of the Company and outside director of Sodick Co., Ltd.) and Ms. Yukari Oka (attorney-at-law, outside director (audit and supervisory committee member) of the Company), who are independent from both the Tender Offer Related Parties and have no interests in the success or failure of the Transaction.

Subsequently, on July 1, 2025, before the first meeting of the Special Committee

was held, the Special Committee additionally appointed as members of the Special Committee Ms. Arei Shirai (General Manager of DE&I Business Development Department of Benesse Corporation University & Working Adult Company) and Ms. Naoko Harima (certified public accountant), both elected as outside directors (audit and supervisory committee members) of the Company at the ordinary Shareholders' Meeting of the Company held on June 27, 2025. Subsequently, Ms. Yukari Oka, due to personal reasons that could potentially prevent her from fully participating in the deliberations of the Special Committee, resigned from her position as a member of the Special Committee as of August 18, 2025, following the fourth meeting of the Special Committee, at her own request. Other than Ms. Oka's resignation, there have been no changes to the members of the Special Committee.

The Company has decided to fully respect the opinions of the Special Committee in making decisions regarding the Transaction and if the Special Committee determines that the Transaction is not fair, not to make a decision to proceed with the Transaction.

The fees paid to the Special Committee members are limited to fixed fees to be paid regardless of the success or failure of the Transaction, and do not include any contingency fees to be paid subject to the public announcement or success of the Transaction.

(4) The Special Committee's Involvement in Discussions and Negotiations

The Special Committee has been authorized by the Company's Board of Directors to directly discuss and negotiate with the proposer of the Transaction and the Offeror, and pursuant to such authority, as described in 2(4) above, engaged in price negotiations multiple times with Mr. Tomohiko Kimura, who proposed the Transaction and serves as the representative director of the Offeror, while receiving advice from Mizuho Securities and TMI Associates, such discussions and negotiations were carried

out in a manner that the Special Committee was substantially involved in the negotiation process.

(5) Procurement of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuator Retained by the Special Committee

The Special Committee requested Plutus Consulting, a third-party valuator independent of the Tender Offer Related Parties, for a calculation of the share value of the Company Shares and a fairness opinion and obtained the Share Valuation Report (Plutus) and the Fairness Opinion on September 22, 2025.

The Fairness Opinion expresses the opinion that in light of the valuation results of the Company's common shares pursuant to the Business Plan and other factors, the Tender Offer Price of 3,530 yen is fair to the Company's general shareholders from a financial perspective.

Plutus Consulting is not a related party of the Tender Offer Related Parties and has no material interest in relation to the Transaction including the Tender Offer. The fees paid to Plutus Consulting in connection with the Transaction are limited to fixed fees to be paid regardless of the success or failure of the Transaction, and do not include any contingency fees to be paid subject to the public announcement or success of the Transaction.

(6) No Involvement of Specially Related Parties in the Negotiation Process of the Transaction

No persons who have a special interest in the Transaction are included in the directors considering and negotiating the Transaction on behalf of the Company, there is no other fact suggesting that in the process of discussion, consideration and negotiation for the Transaction, the Offeror, Mr. Tomohiko Kimura or any other person

who has a special interest in the Transaction had undue impact on the Company side.

(7) Securing Objective Conditions to Ensure The Fairness of the Tender Offer

The Offeror has set the Tender Offer Period at 36 business days, which is longer than the shortest period specified by laws and regulations, of 20 business days. By setting the Tender Offer Period for a relatively long period of time, the Offeror ensures an appropriate opportunity for the Company's shareholders to make judgment regarding whether to tender their shares in the Tender Offer as well as an opportunity for any person other than the Offeror to make a competing tender offer for the Company Shares ("**Person Making a Counterproposal**").

In addition, the Offeror and the Company have not entered into any agreement, including any transaction protection clause that prohibits the Company from contacting a Person Making a Counterproposal, or any agreement that restricts such Person Making a Counterproposal from contacting the Company.

In this way, the Offeror and the Company ensure the fairness of the Tender Offer by establishing the Tender Offer Period described above as well as ensuring opportunities for competing bids etc. by other potential acquirers.

Although an active market check was not conducted in the Transaction, considering, in addition to information management aspects, the current ownership ratio of shares subject to the non-tender agreement and tender-agreement (38.05%), it is unlikely that any competing proposal would be made in response to the Offeror's acquisition proposal. Therefore, the absence of an active market check alone does not render the procedural the fairness of the Tender Offer insufficient, and it can be said that the fairness of the transactional terms is procedurally ensured as a whole even without conducting such a check.

(8) Majority of Minority

In the Tender Offer, a minimum number of shares to be purchased constituting a so-called “majority of minority” has not been set. Setting a minimum number of shares to be purchased constituting a majority of minority is considered beneficial as a system to eliminate coercion from a tender offer and prioritize an opportunity for general shareholders to make their own judgments. According to Mr. Tomohiko Kimura, who proposed the Transaction and serves as the representative director of the Offeror, he believes that setting a minimum number of shares to be purchased that would constitute a majority of minority would make the successful completion of the Tender Offer uncertain, and this would not contribute to the interest of the Company’s minority shareholders who wish to tender their shares in the Tender Offer, and for that reason, such condition has not been set. Such reasoning is considered reasonable to a certain degree. Additionally, as described in (1) through (7) above and (9) below, given that in the Transaction, other measures to ensure fairness have been taken, and sufficient consideration has been given to the interests of the Company’s general shareholders through the fair procedures, it is believed that even without setting such condition in the Tender Offer, the fairness of the terms and conditions of the Transaction is not denied.

(9) Appropriate Disclosure of Information and Elimination of Coercion

In the Transaction, if the Tender Offer is successfully completed, the Share Consolidation will be fully disclosed in the tender offer statement submitted by the Offeror and a press release etc. published by the Company.

The share consolidation is a scheme in which the shareholders who oppose the Transaction are entitled to demand the purchase of their shares or demand that a court decide the price. It is found that in preparation for the Share Consolidation, a press

release etc. will disclose that the sales proceeds for the sum of fractional shares arising as a result of the Share Consolidation will be calculated so that the amount of cash to be delivered to the Company's shareholders who do not tender their shares in the Tender Offer will be the same amount as the price that would have been obtained by multiplying the number of Company Shares that had been owned by each such shareholder by the Tender Offer Price; therefore, it can be said that appropriate measures have been taken to reduce the coercion of tender in the Tender Offer.

(10) Conclusion

As a result of careful deliberation and consideration in view of the matters described above, the Special Committee has determined that in the Transaction, procedures for ensuring fairness of the transactional terms and conditions have been fully executed, and the procedures of the Transaction are fair.

4. 1 through 3 and other relative matters, whether the Transaction is fair to the Company's general shareholders.

With regard to matters other than the matters considered in 1 through 3 above, there are no particular circumstances regarding which the Special Committee considers that the Transaction including the Tender Offer is not fair to the Company's general shareholders.

Given the above, as a result of careful consideration of the impact of the Transaction on the Company's general shareholders, the Special Committee has determined that the Transaction is fair to the Company's general shareholders.

End



[Translation]

September 24, 2025

To Whom It May Concern:

Company Name	Paramount Bed Holdings Co., Ltd.
Representative	Tomohiko Kimura Representative Director and President (Securities code 7817 (Prime Market of the Tokyo Stock Exchange))
Contact	Toshiyuki Hatta Director (TEL: 03-3648-1100)

Company Name	TMKR Co., Ltd.
Representative	Tomohiko Kimura Representative Director

**Notice Concerning Commencement of Tender Offer
for the Common Shares of Paramount Bed Holdings Co., Ltd. (Securities Code: 7817) by TMKR Co., Ltd.**

TMKR Co., Ltd. announces that it has decided today to acquire the common shares of Paramount Bed Holdings Co., Ltd. through a tender offer as attached.

END

This disclosed material is published pursuant to Article 30, Paragraph 1, Item 4 of the Enforcement Order of the Financial Instruments and Exchange Act at the request of TMKR Co., Ltd. (offeror) to Paramount Bed Holdings Co., Ltd. (target of the tender offer).

(Attachment)

“Notice Concerning Commencement of Tender Offer for the Common Shares of Paramount Bed Holdings Co., Ltd. (Securities Code: 7817)” dated September 24, 2025

September 24, 2025

To whom it may concern:

Company Name	TMKR Co., Ltd.
Representative	Tomohiko Kimura Representative Director

**Notice Concerning Commencement of Tender Offer
for the Common Shares of Paramount Bed Holdings Co., Ltd. (Securities Code: 7817)**

On September 24, 2025, TMKR Co., Ltd. (the “Offeror”) announces that it has decided to acquire the common shares (the “Company Shares”) of Paramount Bed Holdings Co., Ltd. (securities code: 7817, a company listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “TSE”); the “Company”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) as described below.

The Offeror is a stock company established on August 29, 2025 by Mr. Tomohiko Kimura, the Company’s President and Chief Executive Officer (number of shares held (Note 1): 1,780,701 shares, Shareholding Ratio (Note 2): 3.17%, fifth largest shareholder of the Company; “Mr. Tomohiko Kimura”), for the principal purpose of obtaining and holding the Company Shares listed on the Prime Market of the TSE. As of today, Mr. Tomohiko Kimura’s asset management company, CTOK Co., LTD. (number of shares held 4,266,300 shares, Shareholding Ratio: 7.61%, second largest shareholder of the Company; “CTOK”) owns all of the shares of the Offeror, and Mr. Tomohiko Kimura is the President and Chief Executive Officer of the Company. As of today, the Offeror does not hold any share of the Company Shares.

(Note 1) The 1,780,701 Company Shares held by Mr. Tomohiko Kimura includes 31,803 Restricted Shares for the Officers and Employees (as defined below). Further, as of today, Mr. Tomohiko Kimura indirectly holds 208 Company Shares (rounded down to the nearest whole number), which corresponds to Mr. Tomohiko Kimura’s interest held through the shareholding association of the Company’s officers (the “Shareholding Association of the Company Officers”), but such Company Shares are not included in the number of shares held by Mr. Tomohiko Kimura, as they are not directly held by him; hereinafter the same applies with respect to Mr. Tomohiko Kimura’s shares.

(Note 2) “Shareholding Ratio” refers to the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of the Shareholding Ratio) calculated by dividing the number of shares (56,088,912 shares; the “Standard Number of Shares”) obtained by deducting the number of treasury shares held by the Company as of June 30, 2025 (1,533,017 shares; hereinafter the same applies to treasury shares held by the Company) from the total number of issued and outstanding shares as of June 30, 2025 (57,598,692 shares), both as stated in the “Summary of Consolidated Financial Results for the First Quarter Ended March 2026 (Based on Japanese GAAP)” published by the Company on July 30, 2025, and adding the number of the restricted shares (consideration) (23,237 shares) related to the disposal of treasury shares conducted by the Company on July 25, 2025.

The Offeror decided to implement the Tender Offer on September 24, 2025 as part of a series of transactions (the “Transaction”) with the purpose of privatizing the Company Shares listed on the Prime Market of TSE by acquiring all of the Company Shares (including the Company’s restricted shares issued to the Company and the officers and employees of its subsidiaries as restricted shares (consideration) (the “Restricted Shares for the Officers and Employees”) and the Company’s restricted shares issued as the Company’s restricted share incentives to the employee shareholding association of the Company, but excluding the treasury shares held by the Company and Non-Tendered Shares (as defined below).

This Transaction constitutes a so-called management buyout (“MBO”) (Note 3). Mr. Tomohiko Kimura and his relative, Mr. Yosuke Kimura, who is the Executive Vice President of the Company (“Mr. Yosuke Kimura”) plan to continue managing the Company after the Transaction. As of today, the Offeror has not entered into any agreement with any other officers of the Company regarding their appointments as officers after the Tender Offer. The details of the Company’s management structure, including the composition of its officers after this Transaction, will be determined through discussions with the Company following the consummation of this Transaction.

(Note 3) A “management buyout (MBO)” generally refers to a transaction in which the management of a target company, by contributing all or part of the acquisition funds, acquires shares of the target company, on the premise that the

business of the target company will be continued.

Upon carrying out the Tender Offer, the Offeror entered into non-tender agreements (the “Non-Tender Agreements”) dated September 24, 2025, with each of (i) Mr. Tomohiko Kimura (number of shares held: 1,780,701 shares; Ownership Ratio: 3.17%; the fifth largest shareholder of the Company), (ii) CTOK (number of shares held: 4,266,300 shares; Ownership Ratio: 7.61%; the second largest shareholder of the Company), (iii) WISE LIGHT Co., Ltd., an asset management company of Mr. Tomohiko Kimura (number of shares held: 1,375,700 shares; Ownership Ratio: 2.45%; “WISE LIGHT”), (iv) LAPIS LAZULI Co., Ltd., an asset management company of Mr. Tomohiko Kimura (number of shares held: 1,375,700 shares; Ownership Ratio: 2.45%; “LAPIS LAZULI”), (v) Mr. Kenji Kimura, a relative of Mr. Tomohiko Kimura (number of shares held (Note 4): 1,728,512 shares; Ownership Ratio: 3.08%; the sixth largest shareholder of the Company; “Mr. Kenji Kimura”), (vi) LLAGGE WOOD Co., an asset management company of Mr. Yosuke Kimura (number of shares held: 4,146,000 shares; Ownership Ratio: 7.39%; the third largest shareholder of the Company; “LLAGE WOOD”), and (vii) SION Co., Ltd., an asset management company of Mr. Yosuke Kimura (number of shares held: 1,375,700 shares; Ownership Ratio: 2.45%; “SION”) and each of the foregoing parties has agreed not to tender any of their Company Shares (total number of shares held: 16,048,613 shares; Ownership Ratio: 28.61%) in the Tender Offer, and, in the event that the Tender Offer is successfully consummated, at the Shareholders’ Meeting (Note 5), all proposals related to the series of procedures to privatize the Company Shares (the “Squeeze-Out Procedures”), such that only the Offeror, Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI and Mr. Kenji Kimura will remain as shareholders of the Company. In addition, under the Non-Tender Agreement with Mr. Tomohiko Kimura, it has been agreed that, following the completion of settlement of the Tender Offer, Mr. Tomohiko Kimura will make a capital investment in the Offeror and acquire the Offeror’s common shares (Note 6), and under the Non-Tender Agreement with Mr. Kenji Kimura, it has been agreed that, following the completion of settlement of the Tender Offer, Mr. Kenji Kimura will make a capital investment in the Offeror and acquire the Offeror’s Class A preferred shares (Note 7) (collectively, the “Investment”). Further, under the Non-Tender Agreements with CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura, LLAGGE WOOD, and SION, it has been agreed that, upon request of the Offeror prior to the effective date of the share consolidation of Company Shares to be conducted as part of the Squeeze-Out Procedures pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) (the “Share Consolidation”), they will lend all of their Company Shares to Mr. Tomohiko Kimura without consideration (the “Stock Lending Transaction”). Moreover, under the Non-Tender Agreements with LLAGGE WOOD and SION, as well as with CTOK, WISE LIGHT, and LAPIS LAZULI, it has been agreed that, if the Stock Lending Transaction is executed, the Stock Lending Transaction will be terminated after the Share Consolidation becomes effective, and the Company will acquire (i) all of the Company Shares held by LLAGGE WOOD and SION, (ii) from among the Company Shares held by CTOK, the number of Company Shares that would be equivalent to 1,088,930 shares as of immediately prior to the effectiveness of the Share Consolidation, (iii) from among the Company Shares held by WISE LIGHT, the number of Company Shares that would be equivalent to 980,037 shares as of immediately prior to the effectiveness of the Share Consolidation, and (iv) from among the Company Shares held by LAPIS LAZULI, the number of Company Shares that would be equivalent to 1,161,525 shares as of immediately prior to the effectiveness of the Share Consolidation (the “Company Shares Repurchase”, and the price for such Company Shares Repurchase, the “Company Shares Repurchase Price”) (Note 8).

(Note 4) The 1,728,512 Company Shares held by Mr. Kenji Kimura includes 12,118 Restricted Shares for the Officers and Employees, and will be included the Non-Tendered Shares (as defined below), but due to the transfer restrictions attached to those shares, such shares are not subject to the Stock Lending Transaction agreement. Further, as of today, Mr. Kenji Kimura indirectly holds 31 Company Shares (rounded down to the nearest whole number), which corresponds to Mr. Kenji Kimura’s interest held through the Shareholding Association of the Company Officers, but such Company Shares are not included in the number of shares held by Mr. Kenji Kimura, as they are not directly held by him; hereinafter the same applies with respect to Mr. Kenji Kimura’s shares.

(Note 5) The “Shareholders’ Meeting” refers to the extraordinary shareholders’ meeting of the Company, which the Offeror intends to request the Company to convene after the completion of the Tender Offer, the agenda of which will include a proposal for a partial amendment of the Articles of Incorporation to abolish the provision regarding the number of shares constituting one unit, subject to the implementation of the Share Consolidation pertaining to the Company Shares based on Article 180 of the Companies Act and the effectiveness of such Share Consolidation; hereinafter the same.

(Note 6) The valuation of the Company Shares, which will serve as the basis for determining the per-share subscription price of the common shares to be acquired by Mr. Tomohiko Kimura through the Investment, is planned to be set at 3,530 yen per share (however, in the case that a share consolidation is implemented as part of the Squeeze-Out Procedures, a formal adjustment is planned to be made based on the consolidation ratio for the Company Shares in the share consolidation), which is the same price as the per-share purchase price, etc. for the Company Shares

in the Tender Offer (the “Tender Offer Price”), and there is no intention to issue shares at a discounted price. Since the subscription price per the Offeror’s common shares by Mr. Tomohiko Kimura will not be set on terms that are substantially more favorable than the Tender Offer Price, it is considered that this does not contravene the purpose of the single set of conditions regulations (Article 27-2, Paragraph 3 of the Act; hereinafter the same).

- (Note 7) The Class A preferred shares that Mr. Kenji Kimura is scheduled to acquire through the Investment are class shares that are defined as non-voting shares which are also entitled to receive dividends on surplus in priority over common shares. Furthermore, the Offeror believes that since (i) although the Class A preferred shares are scheduled to be prescribed to receive dividends on surplus in priority over common shares, whether such dividends will be paid or not is expected to be determined at each occasion based on the Company’s management and financial condition after the Transaction as well as on market trends, and (ii) the evaluation of the Company Shares, which will serve as the basis for determining the per-share subscription price of the Class A preferred shares, is planned to be set at 3,530 yen per share (however, in the case that a share consolidation is implemented as part of the Squeeze-Out Procedures, a formal adjustment is planned to be made based on the consolidation ratio for the Company Shares in the share consolidation), which is the same price as the Tender Offer Price, and there is no plan to issue shares at a discounted price, and the subscription price per share of the Offeror’s Class A preferred shares by Mr. Kenji Kimura will not be set on terms that are substantially more favorable than the Tender Offer Price, this does not contravene the purpose of the single set of conditions regulations.
- (Note 8) There is a possibility that the Company Shares Repurchase will be carried out after the Share Consolidation becomes effective and before approval for exemption from the obligation to submit a securities report. However, since it will be after the Company Shares have been delisted and shares after delisting does not fall under “listed share certificates, etc.” (as defined under Article 24-6, Paragraph (1) of the Act, Article 4-3 of the Enforcement Order of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended)) which falls under the target scope of self-tender offer (meaning a tender offer as defined under Article 27-22-2; hereinafter the same), the Offeror does not plan on conducting a self-tender offer. Furthermore, the Company Shares Repurchase Price is expected to be 2,755 yen per Company Share before the Share Consolidation becomes effective. This price is set so that after-tax proceeds which may be obtained if the Company Shares Repurchase is conducted, is the same or lower than the after-tax proceeds if LLAGE WOOD, SION, CTOK, WISE LIGHT and LAPIS LAZULI had tendered in the Tender Offer, taking into account the application of the regulation for excluding deemed dividend from gross profits. The Company Shares Repurchase was proposed by the Offeror to LLAGE WOOD, SION, CTOK, WISE LIGHT and LAPIS LAZULI from the perspective of balancing both the maximization of the tender offer price and the fairness among shareholders.

The Offeror entered into tender agreements (the “Tender Agreement (Founding Family Agreed Tendering Shareholders)”) dated September 24, 2025, with each of (i) Mr. Yosuke Kimura (number of shares held (Note 9): 753,378 shares, Ownership Ratio: 1.34%), (ii) Mr. Kyosuke Kimura, who is a relative of Mr. Tomohiko Kimura (number of shares held (Note 10): 1,724,802 shares, Ownership Ratio: 3.08%, seventh largest shareholder of the Company, “Mr. Kyosuke Kimura”), (iii) Ms. Chieko Kimura, who is a relative of Mr. Tomohiko Kimura (number of shares held: 67,698 shares, Ownership Ratio: 0.12%), (iv) Ms. Kazue Kimura, who is a relative of Mr. Tomohiko Kimura (number of shares held: 67,684 shares, Ownership Ratio: 0.12%), (v) Ms. Maiko Koga, who is a relative of Mr. Tomohiko Kimura (number of shares held: 234,800 shares, Ownership Ratio: 0.42%), and (vi) Mr. Shigenori Koga (number of shares held: 18,000 shares, Ownership Ratio: 0.03%) (collectively, the “Founding Family Agreed Tendering Shareholders”) and each of the foregoing parties has agreed to tender all of their Company Shares (total number of shares held: 2,866,362 shares; Ownership Ratio: 5.11%) in the Tender Offer.

Further, the Offeror respectively entered into a tender/non-tender agreement dated September 24, 2025 with (i) Mr. Michihide Kimura, who is the special advisor of the Company (number of shares held: 1,718,232 shares, Ownership Ratio: 3.06%, the eighth largest shareholder of the Company; “Mr. Michihide Kimura”) and (ii) RAMOON Co., Ltd., which is the asset management company of Mr. Michihide Kimura (number of shares held: 6,704 shares, Ownership Ratio: 0.01%; “RAMOON” and collectively with Mr. Michihide Kimura, “Mr. Michihide Kimura Related Shareholders”) whereby it has been agreed that, of the 1,724,936 Company Shares Mr. Michihide Kimura Related Shareholders owns, 904,484 shares (Note 11) (Ownership Ratio: 1.61%) will be tendered in the Tender Offer, and the remaining 820,452 shares (Note 12) (Ownership Ratio: 1.46%; the “Mr. Michihide Kimura Related Shareholders’ Non-Tendered Shares”) will not be tendered in the Tender Offer and in the event the Tender Offer is successfully consummated, to vote in favor of each proposal relating to the Squeeze-Out Procedures at the Shareholders’ Meeting. Mr. Michihide Kimura Related Shareholders’ Non-Tendered Shares are expected to be a fraction of less than one share as a result of the Share Consolidation to be implemented as part of the Squeeze-Out Procedures.

In addition, the Offeror entered into a tender agreement (the “Tender Agreement (Kimura Nursing Foundation)”) dated September 24, 2025 with the Kimura Foundation for Nursing Education (Note 13) (number of shares held: 701,200 shares, Ownership Ratio: 1.25%; the “Kimura Nursing Foundation”) whereby it was agreed that the Kimura Nursing Foundation will tender all of the Company Shares it owns in the Tender Offer and after the settlement of the Tender Offer, the Kimura Nursing Foundation will reinvest in the Offeror the entire amount of consideration (except for any amounts payable for taxes and expenses applicable to the Kimura Nursing Foundation) which it will receive for tendering the Nursing Foundation Agreed Tendered Shares in the Tender Offer and subscribe to the Offeror’s subordinated bonds (Note 14) (the “Foundation Reinvestment”).

(Note 9) Of the 775,022 Company Shares held by Mr. Yosuke Kimura (Ownership Ratio: 1.38%), 21,644 Restricted Shares for the Officers and Employees (Ownership Ratio: 0.04%) are not included in the number of shares 753,378 shares (Ownership Ratio: 1.34 %) since such shares have transfer restrictions attached and cannot be tendered in the Tender Offer, and are not included in the Founding Family Agreed Tendered Shares. Further, as of today, Mr. Yosuke Kimura indirectly holds 72 Company Shares (rounded down to the nearest whole number), which corresponds to Mr. Yosuke Kimura’s interest held through the Shareholding Association of the Company Officers, but such Company Shares are not included in the number of shares held by Mr. Yosuke Kimura, as they are not directly held by him.

(Note 10) As of today, Mr. Kyosuke Kimura indirectly holds 31 Company Shares (rounded down to the nearest whole number), which corresponds to Mr. Kyosuke Kimura’s interest held through the Shareholding Association of the Company Officers, but such Company Shares are not included in the number of shares held by Mr. Kyosuke Kimura, as they are not directly held by him.

(Note 11) 904,484 shares include 897,832 shares (Ownership Ratio: 1.60%) held by Mr. Michihide Kimura and 6,652 shares (Ownership Ratio: 0.01%) held by RAMOON.

(Note 12) 820,452 shares include 820,400 shares (Ownership Ratio: 1.46%) held by Mr. Michihide Kimura and 52 shares (Ownership Ratio: 0.00%) held by RAMOON.

(Note 13) The Kimura Foundation for Nursing Education was established by Mr. Ryusuke Kimura, who is a relative of Mr. Tomohiko Kimura, in March 1991 and was reorganized as a public interest incorporated foundation in April 2011. As of today, Mr. Kenji Kimura serves as its representative. Its purpose is to contribute to the development of nursing professionals by providing necessary grants to enhance and improve nursing education and practice in line with the advancement of medicine and healthcare in Japan. Its activities include providing grants for overseas nursing training, nursing research, and scholarships for certified nurse specialists, as well as hosting lectures related to nursing.

(Note 14) The terms of the subordinated bonds that the Kimura Nursing Foundation is scheduled to acquire through the Foundation Reinvestment are expected to be determined by the Offeror, in consultation with the Kimura Nursing Foundation, based on a level that enables the Kimura Nursing Foundation to receive annual interest payments equivalent to the annual dividend amount it previously received from the Company.

As described above, with respect to the Tender Offer, the Offeror has agreed (A) with Mr. Tomohiko Kimura, CTOK, WISE LIGHT, LAPIS LAZULI, Mr. Kenji Kimura, LLAGE WOOD, SION, and Mr. Michihide Kimura Related Shareholders to not tender the total of 16,869,065 Company Shares (Ownership Ratio: 30.08%; the “Non-Tendered Shares”) which they own and (B) with the Founding Family Agreed Tendering Shareholders, Mr. Michihide Kimura Related Shareholders, and the Kimura Nursing Foundation, to tender the total of 4,472,046 Company Shares (Ownership Ratio: Total 7.97%) which they own in the Tender Offer.

The outline of the Tender Offer is as follows:

(1) Name of the Company

Paramount Bed Holdings Co., Ltd.

(2) Type of share certificates, etc. to be purchased

Common shares

(3) Period for the purchase, etc.

From Thursday, September 25, 2025 to Monday, November 17, 2025 (36 business days)

(4) Price for the purchase, etc.

3,530 yen per common share

(5) Number of tendered shares to be purchased

Class of share	Number of tendered shares to be purchased	Minimum number of tendered shares to be purchased	Maximum number of tendered shares to be purchased
Common Shares	39,219,847 (shares)	20,486,500 (shares)	- shares
Total	39,219,847 (shares)	20,486,500 (shares)	- shares

(Note 1) If the total number of the share certificates, etc., tendered in the Tender Offer (the “Tendered Shares”) is less than the minimum number of tendered shares to be purchased in the Tender Offer (20,486,500 shares), the Offeror will purchase etc. none of the Tendered Shares. If the total number of the Tendered Shares is no less than the minimum number of tendered shares to be purchased in the Tender Offer (20,486,500 shares), the Offeror will purchase etc. all of the Tendered Shares.

(Note 2) Since the Offeror has not set the maximum number of tendered shares to be purchased in the Tender Offer, the number of tendered shares to be purchased (39,219,847 shares) is the maximum number of the Shares, Etc. of the Company that the Offeror may possibly purchase in the Tender Offer. This is the number of shares (39,219,847 shares) calculated by deducting the number of the Non-Tendered Shares (16,869,065 shares) from the Standard Number of Shares.

(Note 3) Shares less than one unit are also subject to the Tender Offer. If a shareholder exercises the right to demand purchase of shares amounting to less than one unit pursuant to the Companies Act, the Company may purchase its shares during the period for the purchase, etc., in the Tender Offer in accordance with statutory procedures.

(Note 4) The treasury shares held by the Company are not scheduled to be acquired through the Tender Offer.

(6) Tender Offer Agent

Daiwa Securities Co. Ltd.

9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(7) Commencement date of settlement

November 25, 2025 (Tuesday)

For the specific details of the Tender Offer, please refer to the Tender Offer Registration Statement to be filed by the Offeror on September 25, 2025, in connection with the Tender Offer.

END

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 and documents it incorporates by reference thereto do 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 nor documents it incorporates by reference thereto (or any part of them) nor the fact of their 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 accordance with the procedures and disclosure standards set forth under the Act, which are not necessarily the same as the procedures and standards applied in the U.S. In particular, the provisions of Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; hereinafter the same) and the related rules stipulated thereunder do not apply to the Tender Offer, and the Tender Offer is not carried out in compliance with these procedures and standards. All financial information included in this press release and documents it incorporates by reference thereto are created based on accounting principles in Japan, and the contents thereof are not necessarily the same as the financial statements of U.S. companies. In addition, since the Offeror and the Company are corporations incorporated outside the U.S. and all or some of their directors and officers are not U.S. residents, it may be difficult to exercise rights or make claims which may be asserted under U.S. securities related laws. Further, it may not be possible to commence legal proceedings against a non-U.S. entity or its directors and officers in a court outside of the U.S. for violation of U.S. securities related laws. Furthermore, non-U.S. entities and their affiliates, directors or officers may not be subject to U.S. jurisdiction.

The Offeror and the Company's financial advisors, tender offer agents, and their affiliates may, in their normal course of business, to the extent permitted by the Act and other applicable laws and regulations, and in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act of 1934, purchase, or otherwise take steps towards the purchase of, the Company Shares outside of the Tender Offer on their own account or on behalf of their clients during the period for the purchase, etc., in the Tender Offer. Such purchases may be conducted at market prices through market transactions, or at prices determined through negotiations off-market. If information pertaining to such purchases are disclosed in Japan, disclosures will be made in the same method in the U.S.

Unless otherwise specified, procedures relating to the Tender Offer are to be conducted entirely in Japanese. While some or all of the documents related to the Tender Offer are prepared in the English language, if there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation shall prevail.

This press release and documents it incorporates by reference thereto include "forward-looking statements" as defined under Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act of 1934. The results may significantly differ from those explicitly or implicitly indicated as "forward-looking statements" due to known or unknown risks, or uncertainties, or other causes. Neither the Offeror, the Company, nor any of their affiliates can provide assurance that such results explicitly or implicitly indicated as "forward-looking statements" will be realized. The "forward-looking statements" in this press release and documents it incorporates by reference thereto were prepared based on the information held by the Offeror as of the day of submission of this press release, and unless required by laws and regulations, the Offeror, the Company or their affiliates are not obliged to change and/or modify such statements in order to reflect any event or condition in the future.

Other Countries

In some countries or regions, the announcement, issuance, or distribution of this press release may be subject to legal restrictions. In such cases, please be aware of and comply with such restrictions. The announcement, issuance, or distribution of this press release shall not constitute a solicitation of an offer to purchase or a solicitation of an offer to sell share certificates, etc. relating to the Tender Offer, and shall be regarded solely as the distribution of information for informational purposes.