



January 31, 2022

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**Notice Regarding the Commencement of Tender Offer for
Shares of JALUX Inc. (TOKYO: 2729)**

As announced in “Notice Regarding the Planned Commencement of Tender Offer for Shares of JALUX Inc. (TOKYO: 2729)” dated November 2, 2021, Japan Airlines Co., Ltd. (“JAL”) and Sojitz Corporation (“Sojitz”) resolved, at their respective board of directors’ meetings held on November 2, 2021, to enter into a Shareholders’ Agreement by and between JAL and Sojitz dated November 2, 2021 (the “Shareholders’ Agreement”) and, pursuant to the Shareholders’ Agreement, to have SJ Future Holdings Corporation, in which JAL holds a 50.50% stake and Sojitz holds a 49.50% stake, respectively (SJ Future Holdings Corporation shall hereinafter be referred to as the “Tender Offeror” and, collectively with JAL and Sojitz, the “Tender Offerors”), acquire the shares of common stock (the “Target Company Shares”) of JALUX Inc. (the “Target Company”; Code: 2729, First Section (the “First Section”) of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”)) through a tender offer (the “Tender Offer”) pursuant to the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “Act”). The Tender Offeror also decided, on November 2, 2021, to acquire the Target Company Shares through the Tender Offer.

It was anticipated that the Tender Offer would commence promptly after the conditions precedent, such as the completion of the necessary steps and measures under domestic and foreign (Japanese and Chinese) competition laws (for details, please refer to “(Note 2)” of “(1) Overview of Tender Offer” under “1. Purposes of Tender Offer” below), had been satisfied (or waived by the Tender Offerors). Further, as described in “(1) Overview of Tender Offer” under “1. Purposes of Tender Offer” below, the necessary steps and measures under domestic and foreign (Japanese and Chinese) competition laws are expected to be completed by March 15, 2022, the day immediately preceding the expiration date of the period of the Tender Offer (the “Tender Offer Period”) even if the Tender Offer is commenced in early February 2022 as originally scheduled, and it was confirmed that the other conditions precedent for the commencement of the Tender Offer have been satisfied. Accordingly, the Tender Offerors determined that the Tender Offer can be commenced at the originally scheduled time, and as such, the Tender Offerors hereby announce today, January 31, 2022, that they have decided to commence the Tender Offer from February 1, 2022.

This document is disclosed by JAL and Sojitz in accordance with the securities listing regulations, and is also published in accordance with Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Enforcement Order”) based

on a request made by the Tender Offeror to JAL, the parent company of the Tender Offeror as of today.

1. Purposes of Tender Offer

(1) Overview of Tender Offer

As of today, JAL is the second largest shareholder of the Target Company, which holds 2,727,500 shares of the Target Company Shares (ownership ratio (Note 1): 21.56%), and the Target Company is an equity-method affiliate of JAL. As of today, Sojitz is the largest shareholder of the Target Company, which holds 2,810,500 shares of the Target Company Shares (ownership ratio: 22.22%), and the Target Company is an equity-method affiliate of Sojitz. The Tender Offeror is a joint stock company established on October 1, 2021, mainly for the purpose of acquiring and holding the share certificates, etc., of the Target Company through the Tender Offer, and as of today, the Target Company does not hold any Target Company Shares.

(Note 1) "Ownership ratio" means the ratio (expressed as a percentage rounded to two decimal places) of the number of shares held by a relevant shareholder to the number of outstanding shares (12,650,711 shares) of the Target Company resulting from the following formula; hereinafter the same:

- (A) the total number of issued shares of the Target Company (12,775,000 shares) as of December 31, 2021, as stated in the "Summary of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 (Japan GAAP) (Consolidated)," announced by the Target Company on January 31, 2022 (the "Target Company's Third Quarter Financial Results") minus
- (B) the number of treasury shares held by the Target Company (124,289 shares) as of the same day.

As announced in "Notice Regarding the Planned Commencement of Tender Offer for Shares of JALUX Inc. (TOKYO: 2729)" dated November 2, 2021 (the "Tender Offerors' Press Release Dated November 2, 2021"), JAL and Sojitz resolved, at their respective board of directors' meetings held on November 2, 2021, to enter into the Shareholders' Agreement dated November 2, 2021 and, subject to the conditions precedent, which are provided in the Shareholders' Agreement (Note 2) (the "Conditions Precedent to the Tender Offer"), being satisfied (or waived by the Tender Offerors), have the Tender Offeror conduct the Tender Offer, to which all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offerors and Japan Airport Terminal Co., Ltd. ("Japan Airport Terminal") and the treasury shares held by the Target Company) are subject. The Tender Offer will be conducted as part of a series of transactions (the "Transactions") aimed at taking the Target Company Shares private while maintaining and strengthening the relationship between the Target Company and the existing major shareholders, as a result of which the Tender Offerors and Japan Airport Terminal, which holds 1,022,000 shares of the Target Company Shares (ownership ratio: 8.08%) and is the third largest shareholder of the Target Company, will be the only shareholders of the Target Company. The Tender Offeror also decided, on November 2, 2021, to commence the Tender Offer around early February 2022, and to acquire the Target Company Shares, subject to the Conditions Precedent to the Tender Offer being satisfied (or waived by the Tender Offerors).

(Note 2) (A) at the meeting of the board of directors of the Target Company, the board of directors of the Target Company resolved, upon unanimous approval, to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer, and no change or withdrawal of the opinion so expressed has been made; (B) the procedures and waiting periods under the domestic and foreign (Japanese and Chinese) competition laws have been completed; (C) there is no petition, litigation, proceeding, order, disposition or judgment to restrict or prohibit the Transactions; (D) there is no non-public material information with respect to the Target Company as stipulated in Article 166, Paragraph 2 of the Act; (E) there is no material adverse effect on the assets, management or financial condition of the Target Company's group (which is a collective name referring to the Target Company and its subsidiaries and affiliates; hereinafter the same), or on the future earnings plan related to the quality of earnings of the Target Company's group; (F) the special committee, which was established by the Target Company, submitted a report to express an opinion that they are in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer, and no change or withdrawal of the opinion so expressed has been made; (G) the Shareholders' Agreement remains valid; (H) the representations and warranties by JAL and Sojitz set forth in the Shareholders' Agreement are true and correct in material respects; (I) JAL and Sojitz have performed or complied, in material respects, with their obligations under the Shareholders' Agreement; (J) the Non-Tender Agreement (as defined below; hereinafter the same) is duly executed and remains valid; (K) the representations and warranties by JAL, Sojitz, and Japan Airport Terminal set forth in the Non-

Tender Agreement are true and correct in material respects; and (L) JAL, Sojitz, and Japan Airport Terminal have performed or complied, in material respects, with their obligations under the Non-Tender Agreement. For details of the representations and warranties, obligations, and others of each party under the Shareholders' Agreement and the Non-Tender Agreement, please refer to "(6) Matters concerning material agreements regarding the Tender Offer" below.

Subsequently, on November 2, 2021 (local time), JAL and Sojitz submitted to the State Administration for Market Regulation of the People's Republic of China (the "SAMR") a prior notification under the Chinese competition laws regarding (i) the first capital increase, in which JAL and Sojitz acquire the shares of common stock to be newly issued by the Tender Offeror so that JAL and Sojitz hold 50.50% and 49.50%, respectively, of the voting rights attached to the shares of the Tender Offeror (the "First Capital Increase") and (ii) the acquisition of the Target Company Shares through the Tender Offer (the "Acquisition of Shares" and, collectively with the First Capital Increase, the "Acquisition of Shares, Etc."), and it was accepted as of December 8, 2021 (local time). Regarding such prior notification, on December 27, 2021 (local time), a document was issued by the SAMR approving the Acquisition of Shares, Etc., and the Tender Offerors received such document on December 27, 2021 and confirmed that the Acquisition of Shares, Etc. had been approved on the same day.

In addition, on January 21, 2022, the Tender Offeror submitted to the Fair Trade Commission a prior notification concerning the Acquisition of Shares under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended; the "Anti-Monopoly Act"), and it was accepted as of the same date. Accordingly, the cease and desist period for which advance notice of a cease and desist order may be given and the period for which acquisitions are prohibited will expire after February 20, 2022, in principle. As a result of this, even if the Tender Offer commences in early February 2022 as originally scheduled, the necessary steps and measures under the Anti-Monopoly Act are expected to be completed by March 15, 2022, the day immediately preceding the expiration date of the Tender Offer Period. Accordingly, with respect to the condition requiring completion of the procedures and waiting periods under the Japanese competition laws (the Anti-Monopoly Act) among item (B) of the Conditions Precedent to the Tender Offer, although such condition has not been satisfied as of today, the Tender Offerors have decided to conduct the Tender Offer, waive such condition as the Conditions Precedent to the Tender Offer, and provide that the failure to allow for the expiration of the procedures and waiting periods under the Anti-Monopoly Act by the day immediately preceding the expiration date of the Tender Offer Period (including any cases where the Tender Offer Period is extended) shall constitute grounds for withdrawal of the Tender Offer instead.

Furthermore, with respect to the Conditions Precedent to the Tender Offer, since, as described below, the Tender Offerors confirmed that all of them have been satisfied except for the condition requiring the completion of the procedures and waiting periods under the Japanese competition laws (the Anti-Monopoly Act), the Tender Offerors have determined that the Tender Offer can be commenced at the originally scheduled time. Therefore, on January 31, 2022, the Tender Offerors decided to commence the Tender Offer from February 1, 2022.

- (A) The Target Company reported to the Tender Offerors that, at a meeting of the board of directors of the Target Company held on January 31, 2022, the Target Company had determined that, as of January 31, 2022, there were no factors that would change the opinion as of November 2, 2021 on the Tender Offer, and the Target Company had resolved to again express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer, and the Tender Offerors confirmed on January 31, 2022 the fact that such resolution had been made.
- (B) In response to the prior notification under the Chinese competition laws regarding the Acquisition of Shares, Etc., the document was issued by the SAMR approving the Acquisition of Shares, Etc., on December 27, 2021 (local time) and the Tender Offerors received such document on December 27, 2021 and confirmed that the Acquisition of Shares, Etc. had been approved on the same day.
- (C) The Target Company reported to the Tender Offerors that as of January 31, 2022 there was no petition, litigation, proceeding, order, disposition or judgment that would restrict or prohibit the Transactions, and the Tender Offerors determined on the same day that there was no such cause.

- (D) The Target Company reported to the Tender Offerors that, with respect to the Target Company, as of January 31, 2022 there was no non-public material information as stipulated in Article 166, Paragraph 2 of the Act, and the Tender Offerors determined on the same day that there was no such information.
- (E) The Target Company reported to the Tender Offerors that as of January 31, 2022 there was no material adverse effect on the assets, management or financial condition of the Target Company's group, or on the future earnings plan related to the quality of earnings of the Target Company's group, and the Tender Offerors determined on the same day that there was no such effect.
- (F) The Target Company reported to the Tender Offerors that a written report was submitted stating that there was no change as of January 31, 2022 to the opinion expressed by the special committee, that the resolution by the board of directors of the Target Company, as of November 2, 2021, to express an opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer was reasonable, and the Tender Offerors confirmed on January 31, 2022 the fact that such written report had been submitted.
- (G) As of January 31, 2022, no cause of cancellation of the Shareholders' Agreement has arisen, and the Shareholders' Agreement remains valid.
- (H) JAL and Sojitz reported to the Tender Offerors that the representations and warranties by JAL and Sojitz set forth in the Shareholders' Agreement were true and correct in material respects as of January 31, 2022, and the Tender Offerors determined on the same day that both the said representations and said warranties were true and correct in material respects.
- (I) JAL and Sojitz reported to the Tender Offerors that as of January 31, 2022 JAL and Sojitz had performed or complied, in material respects, with their obligations under the Shareholders' Agreement, and the Tender Offerors determined on the same day that JAL and Sojitz had performed or complied with such obligations.
- (J) As of January 31, 2022, no cause of cancellation of the Non-Tender Agreement has arisen, and the Non-Tender Agreement remains valid
- (K) JAL, Sojitz, and Japan Airport Terminal reported to the Tender Offerors that the representations and warranties by JAL, Sojitz, and Japan Airport Terminal set forth in the Non-Tender Agreement were true and correct in material respects as of January 31, 2022, and the Tender Offerors determined on the same day that all of the said representations and said warranties were true and correct in material respects.
- (L) JAL, Sojitz, and Japan Airport Terminal reported to the Tender Offerors that as of January 31, 2022 JAL, Sojitz, and Japan Airport Terminal had performed or complied, in material respects, with their obligations under the Non-Tender Agreement, and the Tender Offerors determined on the same day that JAL, Sojitz, and Japan Airport Terminal had performed or complied with such obligations.

As of November 2, 2021, the execution date of the Shareholders' Agreement, Sojitz held all of the issued shares of the Tender Offeror (one (1) share). However, on January 14, 2022, in accordance with the provisions of the Shareholders' Agreement, JAL acquired 505 shares of common stock newly issued by the Tender Offeror (50.50% of the total number of issued shares of the Tender Offeror as of January 14, 2022) and Sojitz acquired 494 shares of the same (49.40% of the same) as the First Capital Increase. As of today, the ratio of voting rights with respect to the shares of the Tender Offeror held by JAL and Sojitz is 50.50% and 49.50%, respectively, and JAL has made the Tender Offeror a consolidated subsidiary of JAL. An overview of the Tender Offeror, as of today, is as follows.

(1)	Name	SJ Future Holdings Corporation
(2)	Address	4-11, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo, Japan
(3)	Name and title of representative	Yuji Saito, President and Representative Director (Note 3)

(4)	Business outlines	1. Business to control and manage business activities of other companies by holding shares or equities in such companies; and 2. All other business related to or connected with the activities described in the above item.
(5)	Capital stock	50,000 yen

(Note 3) As a result of the First Capital Increase, Sari Miida who was the president and representative director of the Tender Offeror as of November 2, 2021, the execution date of the Shareholders' Agreement, resigned from the office of president and representative director of the Tender Offeror on January 14, 2022, and Yuji Saito was newly appointed as the president and representative director. As of today, Yuji Saito holds a position at JAL as an executive officer.

JAL and Sojitz have agreed in the Shareholders' Agreement that they will not tender all of the Target Company Shares held by them in the Tender Offer. JAL and Sojitz have also agreed that, as a result of the Transactions, they will take the Target Company Shares private, and (A) JAL will make the Tender Offeror and the Target Company its consolidated subsidiaries, (B) Sojitz will continue to have the Target Company as its equity-method affiliate, and (C) the ratio of voting rights in the shares of the Target Company held by Japan Airport Terminal will be 8.08% (equal to the ownership ratio in relation to the Target Company Shares held by Japan Airport Terminal as of November 2, 2021, the execution date of the Shareholders' Agreement). In addition, JAL and Sojitz have agreed that, following the completion of a series of procedures to make the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company, which are contemplated to be implemented after the completion of the Tender Offer (for details, please refer to "(4) Policy for organizational restructuring after the Tender Offer (matters relating to two-step acquisition)" below; the "Squeeze-Out Procedures"), they will take such necessary measures as stock splits of the Target Company Shares and transfers for the Target Company Shares among the Tender Offerors and Japan Airport Terminal, to the extent that conditions (A) through (C) above are satisfied, if such measures are necessary in order to make the ratio of voting rights in the shares of the Target Company held by JAL and Sojitz the same level as that as of November 2, 2021, the execution date of the Shareholders' Agreement (i.e., 21.56% in relation to JAL and 22.22% in relation to Sojitz).

In addition, JAL and Sojitz entered into a non-tender agreement (the "Non-Tender Agreement") with Japan Airport Terminal on November 2, 2021. In the Non-Tender Agreement, Japan Airport Terminal has agreed not to tender all of the Target Company Shares it holds to the Tender Offer. Moreover, JAL, Sojitz, and Japan Airport Terminal have agreed that, as soon as practicable after the completion of the Squeeze-Out Procedures, they will take necessary measures, such as stock splits of the Target Company Shares and transfers of the Target Company Shares among the Tender Offerors and Japan Airport Terminal, in order to realize (C) above (to alter the ratio of voting rights in the shares of the Target Company held by Japan Airport Terminal to 8.08%).

Since the transfers of the Target Company Shares among the Tender Offerors and Japan Airport Terminal, which may be implemented under the Shareholders' Agreement and the Non-Tender Agreement, are contemplated to be conducted after the total number of issued shares of the Target Company has decreased due to the Share Consolidation (as defined in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to two-step acquisition)" below), which will be conducted as part of the Squeeze-Out Procedures, the price for the transfer of the Target Company Shares in respect of such share transfers may be different from the price for the purchase of the Target Company Shares in respect of the Tender Offer (the "Tender Offer Price"). However, since such price will be determined taking into consideration the ratio of the Share Consolidation (in the case where a stock split is conducted, the ratio of the stock split will also be considered), it is expected to be substantially the same as the Tender Offer Price. For details of the Shareholder Agreement and the Non-Tender Agreement, please refer to "(6) Matters concerning material agreements regarding the Tender Offer" below.

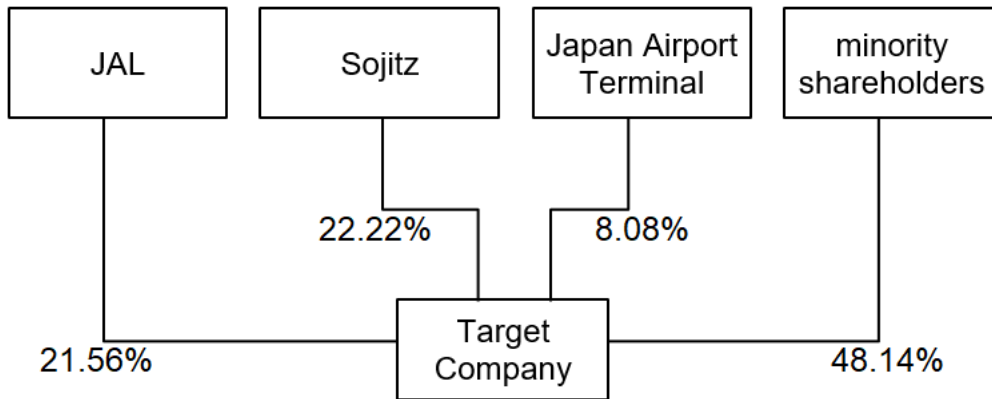
As a result of the above, the Tender Offerors (i.e., JAL, Sojitz, and the Tender Offeror) and Japan Airport Terminal will be the only shareholders of the Target Company through the Transactions, and the ratio of voting rights in the shares of the Target Company held by JAL, Sojitz, the Tender Offeror,

and Japan Airport Terminal will be 21.56%, 22.22%, 48.14%, and 8.08%, respectively. In addition, since the ratio of voting rights in the shares of the Tender Offeror held by JAL and Sojitz will be 50.50% and 49.50%, respectively, and JAL will make the Tender Offeror its consolidated subsidiary, JAL will control the majority of the total voting rights in the shares of the Target Company, including the ratio of voting rights in the shares of the Target Company held by JAL itself and the Tender Offeror, its consolidated subsidiary. As a result, JAL will make the Target Company its consolidated subsidiary.

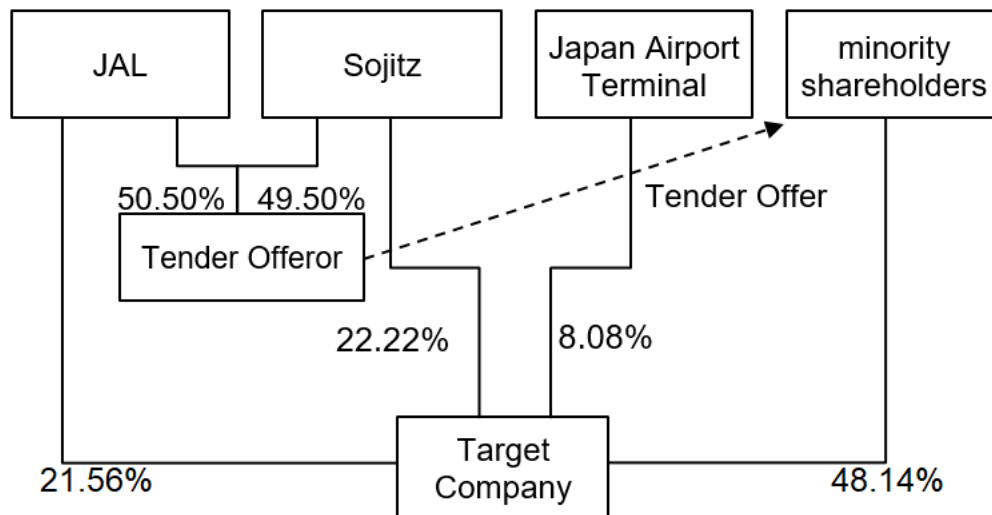
Please also refer to the figures below of the structure for a summary of the Transactions.

<Figures of the structure of the Transactions>

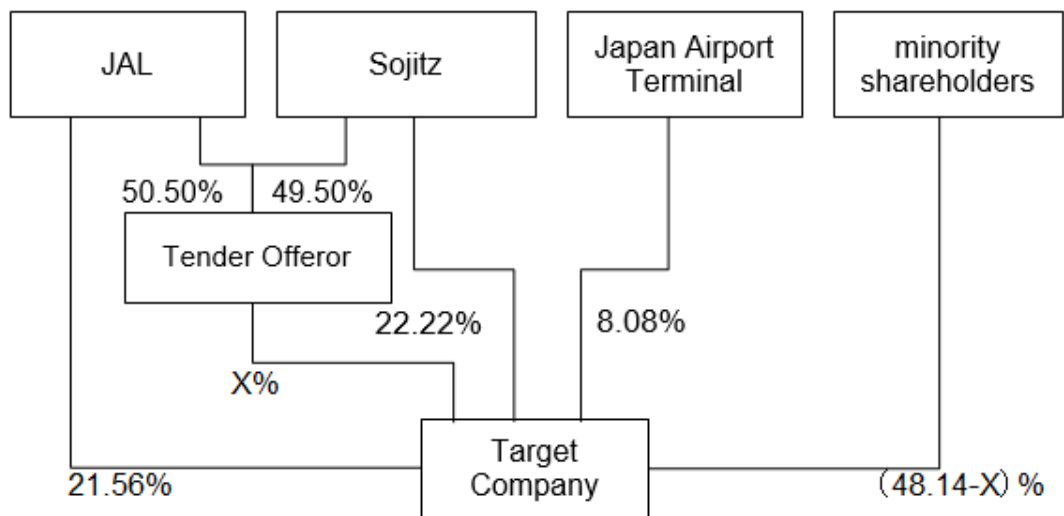
I. Before the Tender Offer



II. Tender Offer

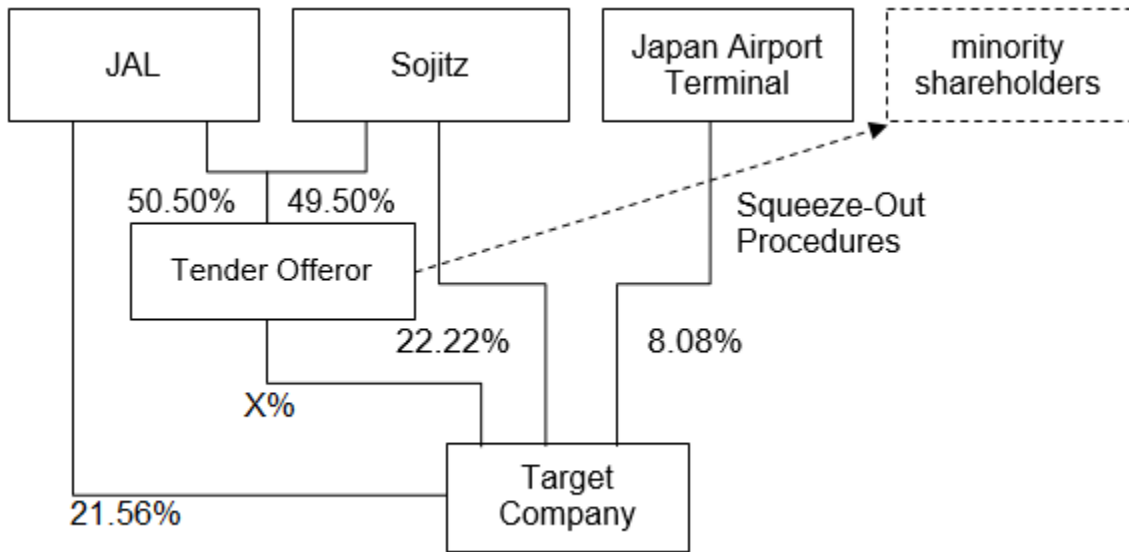


III. After the Tender Offer



(Note) X: The ratio of voting rights with respect to shares tendered in the Tender Offer

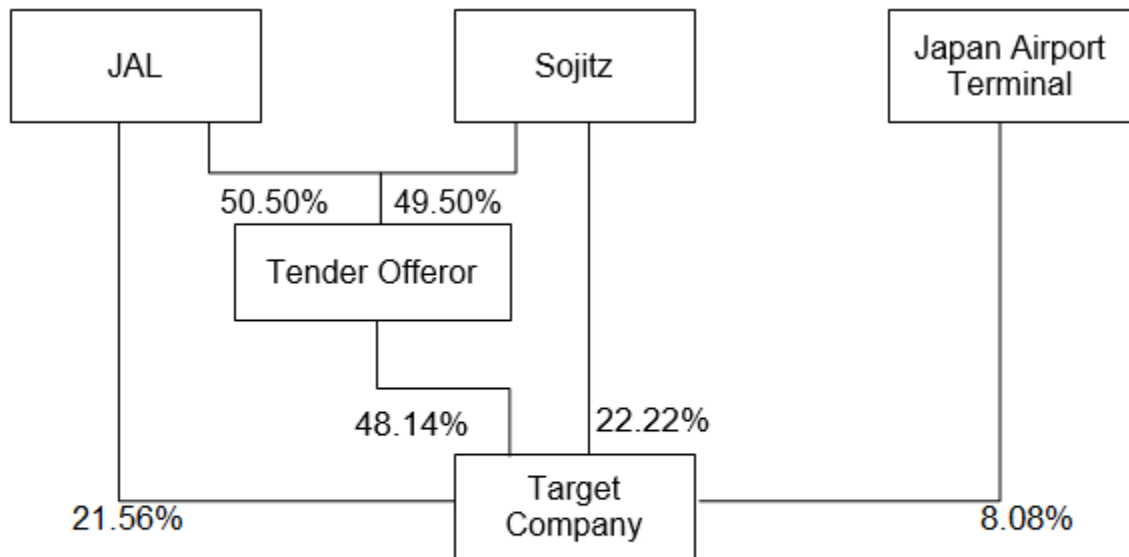
IV. Squeeze-Out Procedures (Contemplated to be conducted around mid-May to early June 2022) (Note 4)



(Note) X: The ratio of voting rights with respect to shares tendered in the Tender Offer

(Note 4) In the Tender Offerors' Press Release Dated November 2, 2021, the timing of implementation of the Squeeze-Out Procedures was stated to be May 2022 as the expected schedule as of November 2, 2021. However, as stated in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to two-step acquisition)" below, as of today, the Extraordinary Shareholders' Meeting (as defined below) is scheduled to be held in mid-May 2022, and the Share Consolidation (as defined below) is scheduled to be effective in early June; therefore, as of today, the timing of implementation of the Squeeze-Out Procedures will be mid-May to early June 2022 as described above.

V. After the Transactions



(Note) The ratio of voting rights after the necessary measures were taken, such as the stock splits of the Target Company Shares and transfers of the Target Company Shares among the Tender Offerors and Japan Airport Terminal following the completion of the Squeeze-Out Procedures

In the Tender Offer, the Tender Offeror has set 1,873,800 shares (ownership ratio: 14.81%) as the minimum number of shares to be purchased, and, if the total number of share that are offered for sale in response to the Tender Offer (the “Tendered Shares”) is less than such minimum number, the Tender Offeror will not purchase any of the Tendered Shares. As described above, the Tender Offeror intends to make the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company and take the Target Company Shares private through the Transactions, and the special resolution at the shareholders’ meeting as stipulated in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same) will be required to implement the procedures for the Share Consolidation, as described in “(4) Policy for organizational restructuring after the Tender Offer (matters relating to two-step acquisition)” below. Therefore, for the purpose of the smooth implementation of the Transactions, the Tender Offeror has set the minimum number of shares to be purchased such that the Tender Offerors and Japan Airport Terminal will own at least two-thirds of the total number of voting rights of all shareholders of the Target Company after the Tender Offer. On the other hand, the Tender Offeror has not set the maximum number of shares to be purchased, and, if the total number of the Tendered Shares is no less than the minimum number, the Tender Offeror will purchase all of the Tendered Shares. The minimum number of shares to be purchased in the Tender Offer (1,873,800 shares) has been set such that the aggregate number of voting rights of the Target Company to be held by the Tender Offerors and Japan Airport Terminal after the completion of the Tender Offer will be equivalent to, or more than, two-thirds of the total voting rights of the Target Company (the number of voting rights (126,507) corresponding to the number of shares (12,650,711 shares) obtained by deducting (A) the number of treasury shares held by the Target Company (124,289 shares) as of December 31, 2021 stated in the Target Company’s Third Quarter Financial Results, from (B) the total number of issued shares of the Target Company (12,775,000 shares) as of the same date).

Furthermore, as the Tender Offeror intends to make the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company and take the Target Company Shares private through the Transactions, if the Tender Offeror will not acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offerors and Japan Airport Terminal and the treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures to make the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company. For details of the Squeeze-Out Procedures, please refer to “(4) Policy for organizational restructuring after the Tender Offer (matters relating to two-step acquisition)” below.

According to the “Notice Regarding Expression of Opinion (to Support) with respect to the Planned Commencement of Tender Offer and Recommendation for Tender Offer for Our Shares by SJ Future Holdings Corporation, in which Japan Airlines Co., Ltd. and Sojitz Corporation jointly invest” released on November 2, 2021, by the Target Company (the “Target Company’s Press Release Dated November 2, 2021”), the Target Company resolved at a meeting of its board of directors held on November 2, 2021, to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tendered their shares in the Tender Offer in the event the Tender Offer commenced when the Target Company presented an opinion to do so at that time.

In addition, according to the “Notice Regarding Expression of Opinion (to Support) with respect to the Commencement of Tender Offer and Recommendation for Tender Offer for Our Shares by SJ Future Holdings Corporation, in which Japan Airlines Co., Ltd. and Sojitz Corporation jointly invest” released on January 31, 2022, by the Target Company (the “Target Company’s Press Release Dated January 31, 2022” and, collectively with the Target Company’s Press Release Dated November 2, 2021, the “Target Company’s Press Releases”), at a meeting of the board of directors of the Target Company held on January 31, 2022, the Target Company determined that, as of January 31, 2022, there were no factors that would change the opinion as of November 2, 2021 on the Tender Offer, and the Target Company resolved to again express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For details of each resolution by the Target Company’s board of directors above, please refer to “(v) Target Company’s obtaining approvals from all non-interested directors of the Target Company and opinions from all non-interested auditors of the Target Company to the effect that they have

no objections” of “(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)” of “(B) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of Tender Offer” below.

(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer and management policy following the Tender Offer

- (A) Background, purpose and decision-making process leading to the conduct of the Tender Offer
- The predecessor of JAL, Japan Airlines Co., Ltd., was founded in August 1951. Pursuant to the Japan Airlines Act (Act No. 154 of 1953), JAL was established in October 1953, with 50-50 funding as between the former company and the government. JAL’s shares were listed on the respective second sections of the stock exchanges in Tokyo, Osaka, and Nagoya in October 1961, and moved to the first section of the respective stock exchange in February 1970. Subsequently, Japan Airlines System Co., Ltd. was established in September 2002 through a share transfer between JAL and Japan Air System Co., Ltd., and the shares of JAL were delisted. In turn, shares of Japan Airlines System Co., Ltd. were listed on the respective first sections of the stock exchanges in Tokyo, Osaka, and Nagoya in October 2002. JAL changed its trade name to Japan Airlines International Co., Ltd. in April 2004, and Japan Airlines System Co., Ltd. changed its trade name to Japan Airlines Corporation in June 2004. Thereafter, although shares of Japan Airlines Corporation were delisted in February 2010, JAL conducted an absorption-type merger of Japan Airlines Corporation in December 2010, and after changing its trade name to Japan Airlines Co., Ltd. (its current name) in April 2011, its shares were listed on the first section of the Tokyo Stock Exchange in September 2012, where they continue to be listed today. Currently, JAL has 81 subsidiaries and 51 affiliates, and, as the JAL Group (which is a collective name referring to JAL and its subsidiaries and affiliates; hereinafter the same), with a main focus on the air transportation business, it has expanded into businesses such as the planning and sales of tours using air transportation, baggage delivery, system development and operation, and the credit card business.

In May 2021, JAL released the “JAL Group Medium-Term Management Plan 2021-2025” to attain its grand design “JAL Vision 2030,” as driven by the key themes of “Safety and Comfort” and “Sustainability” as growth engines, which aims to realize “a safe, secure, and reliable society in a comfortable environment” and “an affluent society where each one of us can sense and hope for a brighter future.” In order to adapt to environmental changes and to achieve sustainable growth and development, JAL has positioned “business strategy,” “finance strategy,” and “ESG strategy” as its strategic pillars. In particular, with respect to its business strategy, JAL aims to return to its pre-pandemic earnings level as early as possible and achieve growth by moving forward with a restructuring business model addressing changes in market trends, and to provide a safe and secure travel experience.

As of March 1991, JAL held 16,180,000 shares of the Target Company Shares (70.35% of 23,000,000 shares, which was the total number of issued shares at the time). However, the number of the Target Company Shares held by JAL became 15,880,000 shares (69.04% of 23,000,000 shares, which was the total number of issued shares at the time) as a result of a share transfer to the employee stock ownership association of the Target Company conducted in June 1997, and became 7,940,000 shares (69.04% of 11,500,000 shares, which was the total number of issued shares at the time) due to the share consolidation conducted by the Target Company in July 1999, and became 7,190,000 shares (58.69% of 12,250,000 shares, which was the total number of issued shares at the time) in February 2002 due to a secondary offering of the Target Company Shares in connection with the listing of the Target Company Shares. Furthermore, in December 2003, the number of the Target Company Shares held by JAL became 6,890,900 shares (56.25% of 12,250,000 shares, which was the total number of issued shares at the time) due to off-auction sales. Subsequently, in November 2004, it became 375,000 shares (2.94% of 12,775,000 shares, which was the total number of issued shares at the time) due to a transfer to Japan Airlines Corporation. In addition, through a secondary offering and transfer to Japan Airlines Corporation conducted between December 2004 and January 2005, JAL sold all of its Target Company Shares. Thereafter, in December 2010, as a result of an absorption-type merger of Japan Airlines Corporation, which was holding 2,727,500 shares of the Target Company Shares, the number of the Target Company Shares held by JAL became 2,727,500 shares (21.35% of 12,775,000 shares, which was the total number of issued shares at the time).

Sojitz was established in April 2003 as a holding company, Nissho Iwai-Nichimen Holdings Corporation, through a joint share transfer between Nichimen Corporation and Nissho Iwai Corporation. Thereafter, Nichimen Corporation and Nissho Iwai Corporation, which were both subsidiaries of Nissho Iwai-Nichimen Holdings Corporation, were merged to form Sojitz Corporation in April 2004, and, in response to the merger, Nissho Iwai-Nichimen Holdings Corporation changed its trade name to Sojitz Holdings Corporation in July 2004. Further, in October 2005, it changed its trade name to Sojitz Corporation after absorbing Sojitz Corporation, which was its subsidiary. The shares of Sojitz (Nissho Iwai-Nichimen Holdings Corporation at the time) were listed on the respective first sections of the stock exchanges in Tokyo and Osaka in April 2003, and thereafter, as a result of integration of the two stock exchanges in July 2013, they came to be listed only on the first section of the Tokyo Stock Exchange, where they continue to be listed today. As of December 31, 2021, Sojitz has 286 consolidated subsidiaries and 132 equity-method affiliates, and with its subsidiaries and affiliates, collectively known as the Sojitz Group (hereinafter the same). The Sojitz Group, as a general trading company, operates its businesses globally, including the sales and purchase of goods, trading business, the manufacture and sale of various products and the provision of services domestically and overseas, the planning and coordination of various projects, investment in various business areas, and financial activities.

In April 2021, Sojitz released the “Medium-term Management Plan 2023,” and defines “Sojitz’s vision for 2030” as becoming “a general trading company that constantly cultivates new businesses and human capital” and aims to increase corporate value by creating businesses and values that responds to market needs and social issues. Then, in April 2021, Sojitz implemented organizational reforms (Note 1) to reorganize the existing nine divisions into seven divisions with the aim of expanding and transforming business scale and promoting new businesses in the new growth fields in light of remarkable changes in the market, rapid digitization trend, and diversification of values. Sojitz reviewed the business division structure and reorganized the former “Retail & Lifestyle Business Division,” which became the “Retail & Consumer Service Division,” contemplating expansion of service-related businesses addressing domestic and overseas market needs. Sojitz transforms existing businesses and develops diverse businesses that bring “affluence of life” and “convenience” to people in Vietnam, India, and other growing emerging markets, and takes action based on the theme of strengthening businesses in domestic retail operations.

(Note 1) Sojitz reorganized the structure of its business division from the nine divisions of “Automotive Division,” “Aerospace & Transportation Project Division,” “Machinery & Medical Infrastructure Division,” “Energy & Social Infrastructure Division,” “Metals & Mineral Resources Division,” “Chemicals Division,” “Foods & Agriculture Business Division,” “Retail & Lifestyle Business Division,” and “Industrial Infrastructure & Urban Development Division” into seven divisions of “Automotive Division,” “Aerospace & Transportation Project Division,” “Infrastructure & Healthcare Division,” “Metals, Mineral Resources & Recycling Division,” “Chemicals Division,” “Consumer Industry & Agriculture Business Division,” and “Retail & Consumer Service Division.”

In March 2007, Sojitz purchased part of the Target Company Shares held by Japan Airlines Corporation through an off-market transaction, which resulted in Sojitz holding 3,832,500 shares of the Target Company Shares (30.00% of 12,775,000 shares, which was the total number of issued shares at the time). Thereafter, in August 2011, with the execution of a capital and business alliance agreement with the Target Company and Japan Airport Terminal, Sojitz transferred part of the Target Company Shares held by it to Japan Airport Terminal, resulting in the number of the Target Company Shares held by Sojitz becoming 2,810,500 shares (22.00% of 12,775,000 shares, which was the total number of issued shares at the time).

On the other hand, in March 1962, the Target Company was established under the trade name Aviation Trading Co., Ltd. as a trading and logistics subsidiary of JAL for the purpose of comprehensively developing businesses incidental to air transportation, and changed its trade name to Nikko Shoji Co., Ltd. in October 1963. In March 2001, which was positioned as the second phase of its founding, the Target Company changed its trade name to JALUX Inc., and resolved to express the company’s trade name using the English alphabet instead of katakana at the general meeting of shareholders held in June 2001. Thereafter, the Target Company Shares were listed on the second section of the Tokyo Stock Exchange in February 2002, and were designated to be listed on the first section of the Tokyo Stock Exchange in March 2004, and at present, the Target Company Shares are listed on the First Section. Currently, the Target Company’s group consists of 20 consolidated subsidiaries and 5 equity-method affiliates, and, focusing on aviation and service businesses mainly composed of aviation and airports, it actively pursues the expansion of

its business domains, including management of airport shops, the Retail Business, such as mail-order sales, and the Food & Beverage Business.

With respect to the capital relationship between the Target Company and, JAL and Sojitz, as mentioned above, Sojitz became the holder of 3,832,500 shares of the Target Company Shares (30.00% of 12,775,000 shares, which was the total number of issued shares at the time) and JAL became the holder of 2,727,500 shares of the Target Company Shares (21.35% of 12,775,000 shares, which was the total number of issued shares at the time) due to the March 2007 partial transfer of the Target Company Shares held by JAL. Thereafter, in August 2011, the Target Company entered into a capital and business alliance agreement with Sojitz and Japan Airport Terminal, and Sojitz transferred part of the Target Company Shares held by it to Japan Airport Terminal, bringing the number of the Target Company Shares held by Sojitz to 2,810,500 shares (22.00% of 12,775,000 shares, which was the total number of issued shares at the time).

The Target Company primarily operates the businesses below in order to achieve its corporate philosophy of “Contributing to Tomorrow”: Your partner in creating happiness and bringing a bright future to people, society and the environment.”

- (i) Aviation & Airport Business
This concerns sales and outsourced businesses in respect of aircraft, aircraft parts, such as engine parts, airport special vehicles, maintenance equipment, airport ground equipment, among others, mainly targeting aviation-related companies and general companies such as heavy industry manufacturers, as well as airport operations at international airports overseas.
- (ii) Life Service Business
This mainly targets general consumers and general companies and covers agency business for non-life and life insurance companies and business under the “Insurance Agent BPO (Business Process Outsourcing)” model; financial planning; sales, property sales, brokerage, leasing, and facility management, in respect of real estate; and sales of nursing care services, road-related materials and equipment, special vehicles, lifestyle materials, and printing and paper materials.
- (iii) Retail Business
This covers planning and sales comprising in-flight sales, mail-order sales, general merchandise, and food gifts, mainly targeting general consumers such as air passengers; management of shops such as “BLUE SKY” (retail shops and restaurants) and “JAL DUTYFREE (duty-free shops)” at main airports in Japan, as well as wholesale in respect of duty-free shops.
- (iv) Food & Beverage Business
This deals with planning and wholesaling of agricultural and marine products, processed foods, in-flight meals, and alcoholic beverages such as wines, as well as manufacture of food products, including lunch boxes and prepared dishes, mainly targeting general companies, such as retail business operators and restaurant business operators.

The Target Company acknowledges that the global spread of COVID-19 since 2020 has had an enormous impact on the economy and people’s daily lives. In Japan, travel by and contact between people have been restricted due to repeated declarations of states of emergency and the threat of COVID-19 variants, and, as a result, the Target Company’s group, which pursues its business with a focus largely on the aviation and airport business domains, has faced a challenging business environment having been directly impacted by the decrease in the number of airport users due to the spread of COVID-19. Currently, this situation is still ongoing and not expected to settle in the foreseeable future.

However, the Target Company acknowledges that, despite the uncertain outlook, it is understood that as sufficient amounts of the COVID-19 vaccine are secured and the speed of vaccination increases, pre-COVID-19 daily life will return gradually. In preparation for post-COVID-19, the Target Company’s group acknowledges that it is an urgent management issue to build such a business portfolio as to reduce concentration risk in the aviation and airport business domains by

further promoting and enhancing “non-aviation and airport businesses,” which are highly resistant to the “COVID-19 crisis” risk, as well as to implement various reforms through the promotion of innovation.

In January 2007, JAL and Sojitz executed the basic agreement under which Sojitz purchased 3,832,500 shares of the Target Company Shares held by JAL through an off-market transaction. Based on this purchase, JAL and Sojitz, as principal shareholders of the Target Company, aimed to work closely with the Target Company and the Target Company’s group to develop initiatives that enhance the Target Company’s competitiveness and boost corporate value. JAL and Sojitz also aimed to strive to enhance their own corporate value in the context of this agreement. JAL and Sojitz believe that, since the execution of the basic agreement, JAL, which has a consumer base and trademark (branding power) as an airline, and Sojitz, which has network and business investment know-how as a general trading company, have realized the growth of the Target Company by sending outside directors to the Target Company and participating in its management. Specifically, the Target Company’s net sales in fiscal year 2018, which were not affected by the prolonged COVID-19 pandemic, grew by approximately 162% compared to those in fiscal year 2006, which was before JAL and Sojitz executed the basic agreement. In addition, while Asian countries have maintained a GDP growth rate of approximately 5% since 2000 (source: “World Economic Outlook Database,” released in April 2021 by the International Monetary Fund), and the number of air passengers worldwide roughly doubled between 2007 and 2019 (source: “Collection of Civil Aircraft Related Data for 2021,” published in March 2021 by the Japan Aircraft Development Corporation), indicating the stable growth of demand for air travel, the Target Company has achieved growth in profit against the backdrop of the growing economies in the Asian countries and the demand for air travel. JAL and Sojitz have also achieved growth through such growth in equity gains (losses) of the affiliated company.

However, JAL, Sojitz, and the Target Company acknowledge that self-restraint from traveling due to the global spread of COVID-19 since the end of 2019 has adversely affected them, including reduction in travel, decrease in the number of airport users due to entry restrictions in various countries and the number of passengers for domestic and international airlines, and in fiscal year 2020, JAL’s net sales declined by approximately 65% and the Target Company’s net sales declined by approximately 45%, respectively compared to fiscal year 2019, and demand for air travel has remained stagnant due to the prolonged COVID-19 pandemic, therefore, reconstructing the profit structure has now become an urgent issue.

In addition, amid growing demand for a sustainable society, addressing climate change in particular is now the highest management priority for companies; accordingly, in light of these major environmental changes, Sojitz announced the “Medium-term Management Plan 2023” in April 2021 with the basic policy of shifting from resource business domains to the pursuit of “Competitiveness” and “Growth Potential,” focusing on Infrastructure & Healthcare business, Retail business, and Materials & Circular economy business (related to resource recycling). The main strategies that constitute this are to “continuously make new investments” and to “reform earnings structure in existing businesses.” Likewise, JAL and the Target Company are seeking a goal of zero CO₂ emissions from 2020. Moreover, JAL announced the “JAL Group Medium-Term Management Plan 2021-2025” in May 2021, and through the restructuring of its business model, its main business strategy is to expand non-aviation businesses such as Mileage, Lifestyle and Infrastructure business (Note 2) that are expected to generate synergies with its core business. In addition, in preparation for post-COVID-19, the Target Company is aiming to further promote and enhance “non-aviation and airport businesses,” which are highly resistant to the “COVID-19 crisis” risk, as well as to implement various reforms through the promotion of innovation, and during the fiscal year 2022, the Target Company plans to formulate growth strategies for the fiscal year 2023 and beyond, with the aim of enhancing business domains other than aviation and airport business, such as Retail, Life Service, and Food & Beverage, in the direction of achieving stable revenue.

(Note 2) Non-aviation businesses such as “Mileage business,” “Lifestyle and Merchandise business,” “Regional business,” and “Contracted Service business from other airlines”

If collaboration between JAL, which focuses on non-aviation business domains, and Sojitz, which focuses on non-resource business domains, is enhanced, it will contribute to the achievability of new growth strategy for the non-aviation and airport businesses of the Target Company, and it will also enhance the business domains that JAL and Sojitz are focusing on respectively. On the other

hand, the Target Company is an independent listed company, and both JAL and Sojitz have a certain influence on the Target Company by, for example, dispatching their officers thereto as the major shareholders of the Target Company and having the Target Company as an affiliate. Therefore, there is a structural conflict of interest between JAL and Sojitz and the minority shareholders of the Target Company. Accordingly, under the current system, supporting the execution of the Target Company's growth strategy through the investment of resources such as JAL's consumer base and trademark (branding power) and Sojitz's network and business investment know-how as a general trading company had to be restricted because greater independence is required due to the introduction and tightening of the Corporate Governance Code.

Based on the aforementioned background, Sojitz considered that conducting a tender offer jointly with JAL to acquire the Target Company Shares and privatizing the Target Company Shares will strengthen the business domains that all three companies are respectively focusing on, i.e., JAL's non-aviation business domains, Sojitz's non-resource business domains, and the Target Company's non-aviation and airport businesses. On June 4, 2021, Sojitz approached JAL to discuss the privatization of the Target Company Shares, and JAL agreed to the objectives of the consideration. Accordingly, JAL and Sojitz began to consider the best measures for the three companies of JAL, Sojitz, and the Target Company to realize sustainable growth/development and contribute to the realization of a sustainable society in the future. After June 24, 2021, JAL and Sojitz had several discussions on basic matters that required agreement between the two companies in order to proceed with the matters considered above, including the structure of transactions, investment form and ratio in the Target Company to be held by the two companies after the transactions, and schedule, as well as how to contribute to enhance corporate value of JAL, Sojitz, and the Target Company by implementing the transactions based on the matters considered above. As a result, in late July 2021, JAL and Sojitz came to believe that, by deepening relationships between the Target Company and both JAL and Sojitz, it is possible to enhance corporate value of the three companies. Specifically, JAL and Sojitz found potential for enhancing the corporate value of JAL and the Target Company by enhancing and expanding its business through combining JAL's customer base with the product development capabilities and sales channels of the Target Company. In addition, JAL and Sojitz acknowledged that, under the current system in which the Target Company has minority shareholders as a listed company, even if Sojitz endeavors to enhance the corporate value of the Target Company by providing trading company functions and know-how, substantial part of profits from the enhancement of the corporate value outflow to the minority shareholders of the Target Company, and it is difficult for Sojitz to recognize the economic rationality of providing the trading company functions and know-how, however, the privatization of the Target Company Shares would enable to accelerate the enhancement and growth of the Target Company's competitiveness by tapping into Sojitz's network as a general trading company and its know-how on business investment, which previously had not been fully utilized, to an even greater extent by creating business synergies and interactive human resources exchanges with existing investees and group companies, and dispatching the President to the Target Company to fulfill responsibilities for providing trading company functions and know-how of Sojitz. Furthermore, JAL and Sojitz considered that further enhancement of the corporate value of JAL, Sojitz, and the Target Company would be possible by JAL and the Target Company together acquiring and exercising right to operate shops on the premises of airports. Through these considerations, also in late July 2021, JAL and Sojitz came to the conclusion that it was essential to deepen the relationship between the Target Company and both JAL and Sojitz and to build a new structure in order to maximize the corporate value by sharing the strengths cultivated by the three companies of JAL, Sojitz, and the Target Company.

As a result of these discussions, in late August 2021, JAL and Sojitz concluded, that, for the purpose of maximizing the corporate value of JAL, Sojitz, and the Target Company through business operations based on the spirit of equality between JAL and Sojitz, (A) JAL and the Target Company coming together to leverage the customer base and the trademark (branding power) of JAL through making the Target Company a consolidated subsidiary of JAL, (B) the establishment of new business and the expansion of products and sales channels focusing on retail business and aviation business through making use of Sojitz's network and business investment know-how, and (C) the prompt improvement of management efficiency and elimination of structural conflicts of interest by the privatization of the Target Company Shares would be consistent with the strategic directions of JAL to expand its non-aviation business domains, of Sojitz to enhance its non-resource business domains, and of the Target Company to enhance its non-aviation and airport

businesses and would serve as the best choice for each company's shareholders. With respect to "(C) the prompt improvement of management efficiency and elimination of structural conflicts of interest by the privatization of the Target Company Shares" above, if the Target Company continues to be a listed company and remains an equity-method affiliate of JAL and Sojitz, the aforementioned structural conflicts of interest between JAL and Sojitz, and the minority shareholders of the Target Company will continue, making it difficult to sufficiently enjoy the benefits thereof such as the expansion of target customers and improvement of competitiveness and the recognition to be gained by "(A) JAL and the Target Company coming together to leverage the customer base and the trademark (branding power) of JAL through making the Target Company a consolidated subsidiary of JAL," which will hinder the prompt advancement of strategies in which JAL, Sojitz, and the Target Company cooperate and invite both the risk of delay in the recovery of revenue and a decline in share prices. Thus, JAL and Sojitz believe that providing a reasonable opportunity for sales of shares without exposing the Target Company's minority shareholders to such risks would contribute to the interests of the Target Company's minority shareholders.

In addition, JAL and Sojitz discussed the method to take the Target Company Shares private as described above. As a result, in late August 2021, JAL and Sojitz concluded that a reasonable structure would be conducting a tender offer for the Target Company Shares by the Tender Offeror, in which JAL and Sojitz will jointly invest, while not tendering the Target Company Shares held by JAL and Sojitz in such tender offer and following the completion of squeeze-out procedures, making the Tender Offerors the only shareholders of the Target Company. In other words, through this structure, JAL and Sojitz will be able to flexibly set their burden in respect of the funds for the acquisition of the Target Company Shares from the minority shareholders of the Target Company in accordance with their investment ratio to the Tender Offeror. In addition, as described above, JAL and Sojitz believed that, in light of their aims that JAL and the Target Company together acquire and exercise rights to operate shops on the premises of airports, it would be necessary for the Target Company to belong to the JAL Group as a consolidated subsidiary of JAL. In this regard, through the structure above, JAL will be able to make the Tender Offeror its consolidated subsidiary and, as a result, JAL will control the majority of the total voting rights of the Target Company based upon the ratio of the voting rights of the Target Company to be held by JAL itself and the Tender Offeror, its consolidated subsidiary. Consequently, JAL will be able to make the Target Company its consolidated subsidiary as well. Based on the above considerations, it was determined that the ratio of the investment (the ratio of voting rights) between JAL and SOJITZ in the Tender Offeror under the structure above and the ratio of their burden with respect to the funds for the acquisition of the Target Company Shares, which would be determined according to the ratio of the investment (the ratio of voting rights) would be 50.50% to 49.50%, as a result of the discussion between JAL and Sojitz. JAL and Sojitz made such discussion on the understanding that (i) JAL needs to make the Tender Offeror a consolidated subsidiary (and consequently, make the Target Company its consolidated subsidiary) and (ii) these ratios should reflect the spirit of equality between JAL and Sojitz (the transactions through the Tender Offeror for taking the Target Company Shares private by JAL and Sojitz is hereinafter referred to as the "Transactions (Original Plan)").

In addition to the First Capital Increase conducted on January 14, 2022, in the event of the completion of the Tender Offer, the Tender Offeror will procure funds for the settlement of the Tender Offer by way of the second capital increase, in which JAL and Sojitz will subscribe for the shares of common stock to be additionally issued by the Tender Offeror (the "Second Capital Increase") no later than three business days prior to the date on which the settlement of the Tender Offer is to commence (including the same date; hereinafter the same). In such event, JAL and Sojitz will subscribe for the Second Capital Increase at the ratio of 50.5:49.5, respectively. In order to conduct the Second Capital Increase, the Tender Offerors will execute a "subscription agreement for the total number of shares to be issued" between the Tender Offeror and JAL and Sojitz no later than three business days prior to the date on which the settlement of the Tender Offer is to commence, subject to the completion of the Tender Offer. In addition, on January 31, 2022, JAL and Sojitz submitted to the Tender Offeror certificates stating that they will provide the Tender Offeror with funds for the settlement of the Tender Offer, by subscribing for the shares stated above.

In parallel with the discussion described above, on June 24, 2021, JAL and Sojitz conveyed, as their initial proposal, to the Target Company their intention to implement the privatization of the

Target Company Shares with the aim of enhancing the corporate value of the Target Company, and in response to this, on the same day, the Target Company conveyed to JAL and Sojitz its intention to establish the system for examining the transactions to privatize the Target Company Shares. In addition, Sojitz appointed Nagashima Ohno & Tsunematsu, in late June 2021, as its legal advisor, following which detailed negotiations in relation to the Transactions (Original Plan) were continued. Furthermore, the Tender Offerors appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS"), in early July 2021, as their financial advisor and third party valuation institution independent from the Tender Offerors, Japan Airport Terminal, and the Target Company. Thereafter, on August 23, 2021, JAL and Sojitz formally submitted to the Target Company a proposal in relation to the Transactions (Original Plan) in order to convey to the Target Company their intention to commence full-scale examination of the Transactions (Original Plan), and provided to the Target Company an initial explanation on the background leading to the proposal of the Transactions (Original Plan) and meaning and purpose of the Transactions. Since, in response to this, on September 9, 2021, the Target Company expressed its intention to agree to their engaging in discussions and negotiations for the implementation of the Transactions (Original Plan), JAL and Sojitz began in-depth discussions and negotiations with the Target Company regarding the Transactions (Original Plan). Thereafter, JAL and Sojitz conducted due diligence from mid-September 2021 to mid-October 2021, to review the feasibility of the Transactions (Original Plan). Concurrently, JAL and Sojitz continued discussions and negotiations with the Target Company regarding various terms and conditions of the Transactions (Original Plan), including the Tender Offer.

Since JAL and Sojitz have started to negotiate on the Transactions (Original Plan) on June 24, 2021, they have acknowledged that it is first necessary to examine the feasibility of enhancing the corporate value of JAL, Sojitz, and the Target Company by the Transactions (Original Plan), therefore, in mid-July 2021, they decided to inform Japan Airport Terminal, which is the third largest shareholder of the Target Company, only the fact that they started to negotiate on the Transactions (Original Plan) and to proceed, just between JAL and Sojitz, with the negotiation of the Transactions (Original Plan), which would make JAL and Sojitz the only shareholders of the Target Company. Then, in late July 2021, JAL and Sojitz came to believe that, by deepening relationships between the Target Company and both JAL and Sojitz, it is possible to enhance corporate value of the three companies. Accordingly, based on the consideration that Japan Airport Terminal has been contributing to the management of the Target Company by participating in the management by dispatching an outside director to the Target Company and that Japan Airport Terminal plays an important role in the business of the Target Company, including the business alliance with the Target Company on Airport Retail Management Business and other businesses, in addition to the fact that Japan Airport Terminal is the third largest shareholder of the Target Company and holds 1,022,000 shares of the Target Company Shares (ownership ratio: 8.08%), in late July 2021, in parallel with the discussions and negotiations with the Target Company, JAL and Sojitz informed Japan Airport Terminal of their intention again to take the Target Company Shares private in order to confirm whether Japan Airport Terminal had the intention to tender its shares in the Tender Offer, by which JAL and Sojitz would take the Target Company Shares private, and confirm whether Japan Airport Terminal desired to maintain its capital relationship with the Target Company after the transactions for such privatization were implemented. Thereafter, in early August 2021, JAL and Sojitz informed Japan Airport Terminal that they are negotiating a method to realize the privatization of the Target Company Shares, and in early September 2021, JAL and Sojitz provided explanations in respect of the Transactions (Original Plan) agreed upon between JAL and Sojitz. Subsequently, in mid-October 2021, Japan Airport Terminal conveyed its definitive intention to continue to maintain its capital relationship with the Target Company even after taking the Target Company Shares private. In response to such intention, JAL and Sojitz determined that, considering (i) maintaining Japan Airport Terminal's position as a shareholder of the Target Company would be meaningful for the Target Company after the privatization of the Target Company Shares in terms of stable maintenance and continuation of the current business relationship between Japan Airport Terminal and the Target Company, (ii) a cooperative relationship regarding the Target Company's business management would be maintained because JAL holds 4,398,000 shares of Japan Airport Terminal (4.72% of the total number of issued shares) and participates in the management of Japan Airport Terminal by dispatching an outside director, which enable daily communications between the managements of JAL and Japan Airport Terminal, and further, (iii) even if Japan Airport Terminal maintains its position as a shareholder of the Target Company, it is unlikely to restrict the business management that JAL and Sojitz intends since Japan

Airport Terminal holds 8.08% of the voting rights in the shares of the Target Company and the Tender Offerors will hold the remaining voting rights in the shares of the Target Company, the purpose of the Transactions, which is to maximize the corporate value of JAL, Sojitz, and the Target Company through business operations based on the spirit of equality between JAL and Sojitz, would still be achieved. Based on such determination, JAL and Sojitz believed that the synergistic effects stated in (i) to (v) below, which JAL, Sojitz, and the Target Company expect to enjoy after executing the Transactions, through conducting integrated business operations as among the three companies, would be maintained. Therefore, in order to reflect Japan Airport Terminal's intent, they decided to modify the structure of the Transactions (Original Plan) in part and implement the Transactions (a series of transactions making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company). In mid-October 2021, JAL and Sojitz modified the structure of the Transactions (Original Plan) in part and informed their intentions to implement the Transactions to the Target Company at the meeting for the implementation of the Transactions (Original Plan) among the three companies. Thereafter, in late October 2021, JAL and Sojitz are informed by the Target Company that it will accept the modified transaction structure at the meeting in which the three companies participated.

Up until today, JAL and Sojitz have not discussed the Tender Offer Price with Japan Airport Terminal.

Considering the discussions and negotiations between JAL and Sojitz, the discussions and negotiations among JAL and Sojitz and the Target Company, and the discussions and negotiations among JAL and Sojitz and Japan Airport Terminal separately advanced, JAL and Sojitz determined that, by the privatization of the Target Company Shares by way of making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company, current business relationship between JAL, Sojitz, and Japan Airport Terminal, who are the top three shareholders of the Target Company, and the Target Company will be maintained and the Target Company, JAL, and Sojitz can all expect to enjoy the synergistic effects stated in (i) to (v) below, and that the realization of such synergies and the enhancement of the corporate value of the Target Company can be considered to constitute enhancement of the corporate value of both the JAL Group and the Sojitz Group, the former of which will make the Target Company a consolidated subsidiary and the latter of which will make the Target Company an equity-method affiliate, after the execution of the Transactions. Accordingly, in mid-October 2021, JAL and Sojitz concluded that, the privatization of the Target Company Shares by making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company is the optimal way.

Specifically, JAL and Sojitz believed that, after executing the Transactions, through conducting integrated business operations as among JAL, Sojitz, and the Target Company, all three companies can enjoy the synergistic effects stated below due to the expansion of revenue or equity gains that each company directly earns.

(i) Enhancing retail business

- (a) Promoting e-commerce business by leveraging the power of the branding, customer base, and mileage economic zone of JAL and Sojitz

JAL, Sojitz, and the Target Company will jointly enhance and promote e-commerce business by focusing on the e-commerce site to make optimal use of the assets of the JAL Group, such as JAL's consumer base and trademark (branding power). The marketing strategy of establishing a sales structure leveraging JAL's mileage and card consumer bases, enhancing product development leveraging JAL's assets, and expanding product ranges leveraging Sojitz Group's trading base will enable the provision of services that meet consumer needs based on the data owned by each of JAL, Sojitz, and the Target Company regarding purchases, supplies, and sales.

- (b) Enhancing airport retail management business through the collaboration between JAL, Sojitz, and the Target Company

The Target Company has shops under the "BLUE SKY" brand (78 shops in 27 airports) and the "JAL DUTYFREE" brand (6 shops) in domestic airports where competitors are limited due to location conditions. At such shops, JAL and Sojitz believe that, by enhancing promotional activities in cooperation with JAL to the customers of JAL, profitability will improve. JAL and Sojitz also believe that, by leveraging the brands of food, beverages, and

goods that are owned by the Sojitz Group and the services provided under “BLUE SKY”, airport user satisfaction and profitability from cross-selling of food, beverages, and goods will improve. In addition, JAL and Sojitz believe that the potential for further growth can be expected by leveraging the sales channels owned by the Sojitz Group outside of airports and expanding the sales of the products that the Target Company offers.

- (ii) Enhancing corporate strength and competitiveness of the aviation and airport businesses
 - (a) Integration and consolidation of aviation business between JAL, Sojitz, and the Target Company

The Target Company has a trading platform with domestic heavy industry manufacturers and domestic airlines in the business of parts supply for commercial aircraft; founded on experience, knowledge, and expertise that has been cultivated since the Target Company's inception. JAL and Sojitz believe that, by consolidating the parts supply business for commercial aircraft of within Sojitz Group into the Target Company to further enhance the Target Company's expertise and by leveraging Sojitz's expertise to enhance the finance functions of the Target Company, which is expected by its business partners, the Target Company will be able to accelerate the expansion of its business in the commercial aircraft arena through organic growth. On the other hand, through consolidating the businesses that require holding a certain amount of assets, such as aircraft leasing and part-out, as well as businesses catering to government agencies from the Target Company to the Sojitz Group, the Target Company will be able to utilize its human resources and its assets more effectively.

- (b) Enhancing cooperation with airports operated by the Target Company and Sojitz
- The Target Company is involved in the airport management business in Laos, Myanmar, and Mongolia, while the Sojitz Group is involved in the airport management business in Japan (Kumamoto and Shimojishima), Russia, and Palau. Although they operate these airports independently, JAL and Sojitz believe that, by engaging in airport sales activities to airlines and travel agents and promotional activities to aviation-related companies in cooperation with the Target Company, the Sojitz Group, and the respective airport operators, it will be possible to increase revenues by, among others, increasing the number of flights and passengers at the respective airports and receiving rent, royalties at the airports at which the Target Company and the Sojitz Group respectively participate in the management business. Furthermore, JAL and Sojitz believe that, in addition to sharing airport management know-how among the respective airport operators of the Target Company and the Sojitz Group, combining the operational know-how of the JAL Group will improve airport user satisfaction and increase revenues by improving operational efficiency at the airports at which the Target Company and the Sojitz Group respectively participate in the management business. In addition, JAL and Sojitz believe that it will be possible to further expand not only airport management business but also aviation and airport-related business, including cargo terminal operation business and ground handling business, by unifying JAL, Sojitz, and the Target Company to strengthen proposal capabilities and competitiveness.

- (c) Expanding the volume of aircraft and related products
- JAL and Sojitz believe that, in addition to the track record, knowledge, expertise, and industry network developed by the Target Company since its foundation, by utilizing JAL's airline expertise and Sojitz's asset business expertise to increase the number of opportunities to handle equipment in general, such as aircraft, engines/parts, and simulators, the revenue of the Target Company will expand.

In addition, JAL and Sojitz believe that, by combining JAL's airline expertise, Sojitz's financial functions, and the Target Company's practical on site skills to build a business model aimed at maximizing the value of decommissioned aircrafts, such as leasing the decommissioned aircraft owned by airlines to third parties, thus acquiring new customers and expanding the revenue that each company will obtain by contributing to the business model.

- (d) Enhancing collaboration in the environment-related businesses
- JAL, Sojitz, and the Target Company have made addressing climate change their top management priority in order to meet the demands of a sustainable society. JAL, Sojitz and

the Target Company believe that they will be able to reduce CO2 emissions of each company by accelerating the initiatives by the three companies to address climate change through promoting, in tandem, the businesses jointly held by the companies with respect to airport vehicles (the business of sharing vehicles and the development of next-generation vehicles) and the improvement of infrastructure at airports, which is the foundation for the operation of such business.

(iii) Enhancing collaboration in the food sector

JAL and Sojitz believe that the Target Company handles a diverse range of products in the food sector, including agricultural, marine, and livestock products, wine, and processed foods, and possesses highly specialized expertise and know-how in these areas. In October 2021, the Target Company executed a comprehensive collaboration agreement with Food Valley Tokachi Council and JAL to establish a system for the distribution of fresh and high-quality agricultural and livestock products of Tokachi to consumer regions as typified by metropolitan areas. In addition, the Target Company has been expanding overseas exports of Japanese fresh foods and local specialty processed foods through the “Thonglor Japan Fresh Wholesale Market” business operated in Bangkok, Thailand. In the future, JAL and Sojitz believe that they will be able to expand the revenue of the three companies by expanding the target market for the “Regional Revitalization and Sixth Industry Project,” which the Target Company is strategically pursuing, both domestically and abroad through collaboration between JAL, which is believed to boast high quality transportation and networks with local governments, Sojitz, which has 11 overseas bases and 31 operating companies in the ASEAN region and is believed to have abundant information/personal connections, and the Target Company.

(iv) Enhancing collaboration in the insurance, real estate, and machinery and materials sectors

JAL and Sojitz believe that, in the insurance and real estate sectors, the Target Company has the ability to provide high-quality services and highly specialized know-how and systems for corporate groups that it has developed within the JAL Group since its foundation. JAL, Sojitz, and the Target Company intend to upgrade their services by incorporating the resources of each company based on this foundation as well as to promote the further expansion of such services externally by utilizing the customer base and the trademark (branding power) of JAL. In the machinery and materials sector, the Target Company is working to find and develop new eco-friendly products that will lead to the promotion of sustainability, and JAL and Sojitz believe that they will be able to expand the revenue of the Target Company by strengthening the collaboration between JAL, which has an air cargo transportation network, Sojitz, which has a network and business investment know-how as a general trading company, and the Target Company, and then by expanding their sales channels and distribution network.

(v) Promoting group optimum management

JAL, Sojitz, and the Target Company believe that they will be able to realize more active personnel exchanges than in the past, such as mutual secondment, by JAL consolidating the Target Company through the Transactions or Sojitz increasing the percentage of ownership related to the Target Company. As a result of this, JAL, Sojitz and the Target Company believes that it will be able to provide its employees, who are the source of corporate value, with new areas of work and a variety of growth opportunities, and this will promote human resource development and, in the medium-to long-term, will enable optimal allocation of personnel between JAL, Sojitz, and the Target Company. In particular, the Target Company believes that, by JAL positioning the Target Company as a “core company of non-airline business in the JAL Group,” the areas of work for employees of the Target Company will expand, and human resource development will be promoted. Furthermore, if the Target Company continues to be listed, the three companies, including JAL and Sojitz, which are both listed companies, will incur an overlapping burden of listing-related costs; however, by making the Target Company private through the Transactions, JAL and Sojitz believe that they will be able to eliminate the burden of listing-related costs on the Target Company, to streamline the costs between JAL, Sojitz, and the Target Company, and to concentrate management resources on business growth. JAL and Sojitz believe that they will be able to promote the group optimum management by realizing the optimal allocation of personnel and streamlining the costs between JAL, Sojitz, and the Target Company through implementing matters described above.

Regarding the Tender Offer Price, JAL and Sojitz have held discussions and negotiations with the Target Company multiple times since mid-October 2021. Specifically, JAL and Sojitz made a proposal

to the Target Company, on October 15, 2021, to set the Tender Offer Price at 2,300 yen after comprehensively taking into account several factors, such as (i) the results of the due diligence on the Target Company conducted by JAL and Sojitz from around mid-September 2021 to around mid-October 2021, (ii) the possibility of the Target Company's board of directors supporting the Tender Offer, and (iii) the outlook for tendering of shares in the Tender Offer. Since, in response to such proposal, the Target Company, on October 21, 2021, requested reconsideration for the increase of the Tender Offer Price from the perspective of giving consideration to the interests of the minority shareholders of the Target Company, JAL and Sojitz made a proposal to the Target Company, on October 22, 2021, to set the Tender Offer Price at 2,400 yen.. In response to such re-proposal, the Target Company, on October 26, 2021, requested reconsideration for the further increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company and, then, JAL and Sojitz made a proposal to the Target Company, on October 27, 2021, to set the Tender Offer Price at 2,450 yen. However, in response to such proposal, the Target Company, on October 27, 2021, requested reconsideration for the increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company. Therefore, JAL and Sojitz made a proposal to the Target Company, on October 29, 2021, to set the Tender Offer Price at 2,500 yen. Thereafter, JAL and Sojitz made a proposal to the Target Company, on October 31, 2021, to set the Tender Offer Price at 2,525 yen, given the Target Company, on October 29, 2021, again requested reconsideration for the further increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company; however, the Target Company requested reconsideration to set the Tender Offer Price at 2,560 yen from the perspective of securing as the favorable terms and conditions of the transaction as possible for the minority shareholders of the Target Company. On October 31, 2021, JAL and Sojitz determined to accept the request from the Target Company to set the Tender Offer Price at 2,560 yen and informed such to the Target Company. As a result of continued discussions and negotiations with the Target Company, taking into account the details of the above-mentioned discussions in relation to the Tender Offer Price, on October 31, 2021, JAL and Sojitz reached an agreement with the Target Company that the privatization of the Target Company Shares by making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company is the best way to respond to changes in the business environment surrounding the Tender Offerors and the Target Company and to contribute to the enhancement of the corporate value of the Tender Offerors and the Target Company; therefore, JAL and Sojitz determined, at their respective board of directors' meetings held on November 2, 2021, to set the Tender Offer Price at 2,560 yen and to implement the Tender Offer as part of the Transactions. On the same day, the Tender Offerors' Press Release Dated November 2, 2021 was published. As such, in order to implement the Transactions, JAL and Sojitz entered into the Shareholders' Agreement on November 2, 2021 and they also entered into the Non-Tender Agreement with Japan Airport Terminal on November 2, 2021.

Subsequently, on November 2, 2021 (local time), JAL and Sojitz submitted to the SAMR the prior notification under the Chinese competition laws regarding the Acquisition of Shares, Etc., and it was accepted as of December 8, 2021 (local time). Regarding such prior notification, on December 27, 2021 (local time), a document was issued by the SAMR approving the Acquisition of Shares, Etc., and the Tender Offerors received such document on December 27, 2021 and confirmed that the Acquisition of Shares, Etc. had been approved on the same day.

In addition, on January 21, 2022, the Tender Offeror submitted to the Fair Trade Commission the prior notification concerning the Acquisition of Shares under the Anti-Monopoly Act, and it was accepted as of the same date. Accordingly, the cease and desist period for which advance notice of a cease and desist order may be given and the period for which acquisitions are prohibited will expire after February 20, 2022, in principle. As a result of this, even if the Tender Offer commences in early February 2022 as originally scheduled, the necessary steps and measures under the Anti-Monopoly Act are expected to be completed by March 15, 2022, the day immediately preceding the expiration date of the Tender Offer Period. Accordingly, with respect to the condition requiring completion of the procedures and waiting periods under the Japanese competition laws (the Anti-Monopoly Act) among item (B) of the Conditions Precedent to the Tender Offer, although such condition has not been satisfied as of today, the Tender Offerors have decided to conduct the Tender Offer, waive such condition as the Conditions Precedent to the Tender Offer, and provide that the failure to allow for the expiration of the procedures and waiting periods under the Anti-Monopoly Act by the day immediately preceding the expiration date of the Tender Offer Period (including any cases where the Tender Offer Period is extended) shall constitute grounds for withdrawal of the Tender Offer instead.

Furthermore, with respect to the Conditions Precedent to the Tender Offer, since, as described in “(1) Overview of Tender Offer” above, the Tender Offerors confirmed that all of them have been satisfied except for the condition requiring the completion of the procedures and waiting periods under the Japanese competition laws (the Anti-Monopoly Act), the Tender Offerors have determined that the Tender Offer can be commenced at the originally scheduled time. Therefore, on January 31, 2022, the Tender Offerors decided to commence the Tender Offer from February 1, 2022.

In connection with the above, in late December 2021, the Tender Offerors informed the Target Company that, if the procedures and actions required under the Chinese competition law were completed by late January 2022, the Tender Offerors would commence the Tender Offer on February 1, 2022, subject to the condition that the Japan Fair Trade Commission accepted the prior notification under the Anti-Monopoly Act in respect of the Acquisition of Shares. Thereafter, on January 21, 2022, the Tender Offerors informed the Target Company that, since the procedures and actions required under the Chinese competition law had been completed and the Japan Fair Trade Commission had accepted the prior notification under the Anti-Monopoly Act in respect of the Acquisition of Shares, the Tender Offerors would commence the Tender Offer on February 1, 2022, subject to the satisfaction of the Conditions Precedent to the Tender Offer, excluding the condition that the procedures and waiting periods under the Japanese competition law (the Anti-Monopoly Act) have been completed.

(B) Decision-making process of the Target Company

(i) Process of the establishment of the examination system

According to the Target Company's Press Release Dated November 2, 2021, as stated in “(A) Background, purpose and decision-making process leading to the conduct of the Tender Offer” above, the Target Company received an initial proposal from JAL and Sojitz on the privatization of the Target Company Shares by JAL and Sojitz with the aim of enhancing the corporate value of the Target Company on June 24, 2021, and in response to this, the Target Company expressed its intention to establish the system for examining the transactions for such privatization of the Target Company Shares on the same day. In early July 2021, in order to establish the system for examining the Transactions (Original Plan), the Target Company appointed Nomura Securities Co., Ltd. (“Nomura Securities”) as its financial advisor and third party valuation institution, independent from the Tender Offerors, Japan Airport Terminal, the Target Company and the Transactions, and also appointed Anderson Mori & Tomotsune (“Anderson Mori & Tomotsune”) as its legal advisor. Subsequently, notwithstanding that the Target Company is not a subsidiary of the Tender Offerors as of today and since June 24, 2021—when the Target Company received an initial proposal regarding the Transactions (Original Plan) from JAL and Sojitz— and that the Tender Offer does not fall under a tender offer made by a controlling shareholder, given that (A) JAL holds 2,727,500 shares of the Target Company Shares (ownership ratio: 21.56%) and Sojitz holds 2,810,500 shares of the Target Company Shares (ownership ratio: 22.22%), respectively, until today, and the Target Company is an equity-method affiliate of both, and the total number of the Target Company Shares held by JAL and Sojitz is 5,538,000 shares (ownership ratio: 43.78%), (B) the Tender Offerors intend to make the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company and to take the Target Company Shares private, and (C) the facts that one Director of the Target Company (Yuji Saito) concurrently holds a position at JAL, that one Director of the Target Company (Hiroto Murai) concurrently holds a position at Sojitz, and that one Director of the Target Company (Shigeyuki Taguchi) concurrently holds a position at Japan Airport Terminal, in order to ensure the fairness of the Transactions (Original Plan) and to eliminate the possibility of arbitrariness and conflict of interest in the decision-making process leading to the implementation of the Transactions (Original Plan), the Target Company immediately started establishing a framework for examining and determining whether or not to implement the Transactions (Original Plan), the appropriateness of the terms and conditions of the Transactions (Original Plan), and the fairness of the procedures from a standpoint independent of the Tender Offerors, Japan Airport Terminal, the Target Company, and the Transactions (Original Plan), based on the advice of Anderson Mori & Tomotsune.

Specifically, on August 23, 2021, the Target Company formally received a proposal in relation to the Transactions (Original Plan) from JAL and Sojitz, and the Target Company was informed of their intention to commence full-scale examination of the Transactions (Original Plan), and was provided an initial explanation on the background leading to the proposal of the Transactions (Original Plan) and meaning and purpose of the Transactions (Original Plan). Additionally, the

Target Company was provided with a supplemental explanation as to the meanings and purposes of the Transactions (Original Plan) on September 3, 2021. In response to the communication of these intentions and two explanations, the Target Company agreed to conduct discussions and negotiations for the implementation of the Transactions (Original Plan), and resolved to establish the special committee at the extraordinary meeting of its board of directors held on September 16, 2021. For details of the composition and specific activities, etc., of the special committee, please refer to “(ii) Target Company’s establishment of the independent special committee” of “(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)” of “(B) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of Tender Offer” below. Among the Directors of the Target Company, given that Yuji Saito concurrently holds a position at JAL, Hiroto Murai concurrently holds a position at Sojitz, and Shigeyuki Taguchi holds a position at Japan Airport Terminal, in order to eliminate the possibility of being affected by structural conflicts of interest in the Transactions, they have not participated in examination of the Transactions, or discussions or negotiations with the Tender Offerors as the Target Company.

With respect to the decision-making of the board of directors of the Target Company concerning the Transactions, the board of directors of the Target Company resolved that the Target Company must pay the utmost respect to the matters to be determined by the special committee, including whether or not to support the Tender Offer, and, if the special committee determines that the conduct of the Tender Offer or the terms and conditions of the Tender Offer are inappropriate, the Target Company must resolve not to support the Tender Offer.

Furthermore, as stated in “(ii) Target Company’s establishment of the independent special committee” of “(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)” of “(B) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of Tender Offer” below, the special committee examined the degree of independence, expertise, achievements, etc., of Nomura Securities, the Target Company’s financial advisor and third-party valuation institution, and those of Anderson Mori & Tomotsune, the Target Company’s legal advisor, and approved the appointment of Nomura Securities and Anderson Mori & Tomotsune.

In addition to the above, for details of the process of establishment, etc., the process of review, and the details of determinations, etc., of the special committee, please refer to “(ii) Target Company’s establishment of the independent special committee” of “(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)” of “(B) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of Tender Offer” below.

(ii) Process of review and negotiations

On August 23, 2021, the Target Company formally received a proposal in relation to the Transactions (Original Plan) from JAL and Sojitz, and the Target Company was informed of their intention to commence full-scale examination of the Transactions (Original Plan), and was provided an initial explanation on the background leading to the proposal of the Transactions (Original Plan) and meaning and purpose of the Transactions (Original Plan). Additionally, the Target Company was provided with a supplemental explanation as to the meanings and purposes of the Transactions (Original Plan) on September 3, 2021. In response to the communication of these intentions and two explanations, on September 9, 2021, the Target Company agreed to conduct discussions and negotiations for the implementation of the Transactions (Original Plan), and began in-depth discussions and negotiations with JAL and Sojitz regarding the Transactions (Original Plan). Thereafter, the due diligence on the Target Company was conducted by JAL and Sojitz from mid-September 2021 to mid-October 2021. Concurrently, the Target Company continued discussions and negotiations with JAL and Sojitz regarding various terms and conditions of the Transactions (Original Plan), including the Tender Offer.

Since JAL and Sojitz have started to negotiate on the Transactions (Original Plan) on June 24, 2021, they have acknowledged that it is first necessary to examine the feasibility of enhancing the corporate value of JAL, Sojitz, and the Target Company by the Transactions (Original Plan), therefore, in mid-July 2021, they decided to inform Japan Airport Terminal, which is the third largest shareholder of the Target Company, only the fact that they started to negotiate on the Transactions

(Original Plan) and to proceed, just between JAL and Sojitz, with the negotiation of the Transactions (Original Plan), which would make JAL and Sojitz the only shareholders of the Target Company. Then, in late July 2021, JAL and Sojitz came to believe that, by deepening relationships between the Target Company and both JAL and Sojitz, it is possible to enhance corporate value of the three companies. Accordingly, based on the consideration that Japan Airport Terminal has been contributing to the management of the Target Company by participating in the management by dispatching an outside director to the Target Company and that Japan Airport Terminal plays an important role in the business of the Target Company, including the business alliance with the Target Company on Airport Retail Management Business and other businesses, in addition to the fact that Japan Airport Terminal is the third largest shareholder of the Target Company and holds 1,022,000 shares of the Target Company Shares (ownership ratio: 8.08%), in late July 2021, in parallel with the discussions and negotiations with the Target Company, JAL and Sojitz informed Japan Airport Terminal of their intention again to take the Target Company Shares private in order to confirm whether Japan Airport Terminal had the intention to tender its shares in the Tender Offer, by which JAL and Sojitz would take the Target Company Shares private, and confirm whether Japan Airport Terminal desired to maintain its capital relationship with the Target Company after the transactions for such privatization were implemented. Thereafter, in early August 2021, JAL and Sojitz informed Japan Airport Terminal that they are negotiating a method to realize the privatization of the Target Company Shares, and in early September 2021, JAL and Sojitz provided explanations in respect of the Transactions (Original Plan) agreed upon between JAL and Sojitz. Subsequently, in mid-October 2021, Japan Airport Terminal conveyed its definitive intention to continue to maintain its capital relationship with the Target Company even after taking the Target Company Shares private. In response to such intention, JAL and Sojitz determined that, considering (i) maintaining Japan Airport Terminal's position as a shareholder of the Target Company would be meaningful for the Target Company after the privatization of the Target Company Shares in terms of stable maintenance and continuation of the current business relationship between Japan Airport Terminal and the Target Company, (ii) a cooperative relationship regarding the Target Company's business management would be maintained because JAL holds 4,398,000 shares of Japan Airport Terminal (4.72% of the total number of issued shares) and participates in the management of Japan Airport Terminal by dispatching an outside director, which enable daily communications between the managements of JAL and Japan Airport Terminal, and further, (iii) even if Japan Airport Terminal maintains its position as a shareholder of the Target Company, it is unlikely to restrict the business management that JAL and Sojitz intends since Japan Airport Terminal holds 8.08% of the voting rights in the shares of the Target Company and the Tender Offerors will hold the remaining voting rights in the shares of the Target Company, the purpose of the transactions, which is to maximize the corporate value of JAL, Sojitz, and the Target Company through business operations based on the spirit of equality between JAL and Sojitz, would be achieved. Based on such determination, JAL and Sojitz believed that the synergistic effects stated in (i) to (v) of "(A) Background, purpose and decision-making process leading to the conduct of the Tender Offer" of "(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer and management policy following the Tender Offer", which JAL, Sojitz, and the Target Company expect to enjoy after executing the Transactions, through conducting integrated business operations as among the three companies, would still remain. Therefore, in order to reflect Japan Airport Terminal's intent, they decided to modify the structure of the Transactions (Original Plan) in part and implement the Transactions (a series of transactions making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company). In mid-October 2021, JAL and Sojitz modified the structure of the Transactions (Original Plan) in part and informed their intentions to implement the Transactions to the Target Company at the meeting for the implementation of the Transactions (Original Plan) among the three companies.

In response to this, in mid-October 2021, the Target Company also examined the appropriateness of modification of the structure of the Transactions (Original Plan) in part and implementing the Transactions (a series of transactions making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company). The Target Company decided to accept the modification of the structure of the Transactions (Original Plan) since it considered that, as JAL and Sojitz considered, maintaining Japan Airport Terminal's position as a shareholder of the Target Company would be necessary for the Target Company to continue the stable airport retail management business after the privatization of the Target Company Shares, and would not hinder the synergistic effects on the Target Company that the Target Company expects as stated in (A) to (E) below.

Therefore, in late October 2021, the Target Company informed JAL and Sojitz of such effect at the meeting between the three companies.

As a result of multiple negotiations in light of the above, on November 2, 2021, the Target Company concluded, as described in “(C) Management policies subsequent to the Tender Offer” of “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer and management policy following the Tender Offer” below, that in light of the facts that the Tender Offerors plan to manage the Target Company so as to not undermine the uniqueness of corporate culture, corporate climate, human resources, etc., and that certain understandings and considerations have been expressed regarding the sources of the corporate value of the Target Company, and notwithstanding that it will lose the advantages of being a listed company, no significant disadvantages other than that will likely result from the Transactions; on the contrary, a further enhancement of the corporate value of the Target Company, JAL and Sojitz can be expected by realizing the synergistic effects on the Target Company described below.

(A) Enhancing retail business

- (a) Promoting e-commerce business by leveraging the power of the branding, customer base, and mileage economic zone of JAL and Sojitz

JAL, Sojitz, and the Target Company will jointly enhance and promote e-commerce business by focusing on the e-commerce site to make optimal use of the assets of the JAL Group, such as JAL’s consumer base and trademark (branding power). The Target Company believes that the marketing strategy of establishing a sales structure leveraging JAL’s mileage and card consumer bases, enhancing product development leveraging JAL’s assets, and expanding product ranges leveraging Sojitz Group’s trading base will enable the provision of services that meet consumer needs based on the data owned by each of JAL, Sojitz, and the Target Company regarding purchases, supplies, and sales.

- (b) Enhancing airport retail management business through the collaboration between JAL, Sojitz, and the Target Company

The Target Company has shops under the “BLUE SKY” brand (78 shops in 27 airports) and the “JAL DUTYFREE” brand (6 shops) in domestic airports where competitors are limited due to location conditions. At such shops, the Target Company believes that, by enhancing promotional activities in cooperation with JAL to the customers of JAL, profitability will improve. The Target Company also believes that, by leveraging the brands of food, beverages, and goods that are owned by the Sojitz Group and the services provided under “BLUE SKY”, airport user satisfaction and profitability from cross-selling of food, beverages, and goods will improve. In addition, the Target Company believes that the potential for further growth can be expected by leveraging the sales channels owned by the Sojitz Group outside of airports and expanding the sales of the products that the Target Company offers.

(B) Enhancing corporate strength and competitiveness of the aviation and airport businesses

- (a) Integration and consolidation of aviation business between JAL, Sojitz, and the Target Company

The Target Company has a trading platform with domestic heavy industry manufacturers and domestic airlines in the business of parts supply for commercial aircraft; founded on experience, knowledge, and expertise that has been cultivated since the Target Company’s inception. The Target Company believes that, by consolidating the parts supply business for commercial aircraft within the Sojitz Group into the Target Company to further enhance its own expertise, and by leveraging Sojitz’s expertise to enhance the finance functions of the Target Company, which is expected by its business partners, the Target Company will be able to accelerate the expansion of its business in the commercial aircraft arena through organic growth. On the other hand, through consolidating the businesses that require a certain level of assets, such as aircraft leasing and part-out, as well as businesses catering to government agencies from the Target Company to the Sojitz Group, the Target Company will be able to effectively utilize its human resources and some of its assets.

- (b) Enhancing cooperation with airports operated by the Target Company and Sojitz

The Target Company is involved in airport management business in Laos, Myanmar, and Mongolia, while the Sojitz Group is involved in airport management business in Japan (Kumamoto and Shimojishima), Russia, and Palau, and they operate these airports

independently. The Target Company believes that, by engaging in airport sales activities to airlines and travel agents and promotional activities to aviation-related companies in cooperation with the Target Company, the Sojitz Group, and the respective airport operators, it will be possible to increase revenues by increasing the number of flights and passengers at the respective airports and receiving rent, royalties, among others at the airports at which the Target Company and the Sojitz Group respectively participate in the airport operation. Furthermore, the Target Company believes that, in addition to sharing airport management expertise among the respective airport operators of the Target Company and the Sojitz Group, combining the operational know-how of the JAL Group will enhance airport user satisfaction and increase revenues by improving operational efficiency at the airports at which the Target Company and the Sojitz Group respectively participate in the operation. In addition, the Target Company believes that it will be possible to further expand not only airport management business but also aviation and airport-related business, including cargo terminal operation and ground handling business, by unifying JAL, Sojitz, and the Target Company to strengthen proposal capabilities and competitiveness.

(c) Expanding the volume of aircraft and related products

The Target Company believes that, in addition to the track record, knowledge, expertise, and industry network developed by the Target Company since its foundation, by utilizing JAL's airline expertise and Sojitz's asset business expertise to increase the number of opportunities to handle equipment in general, such as aircraft, engines/parts, and simulators, the Target Company is expecting the expansion of revenue.

In addition, the Target Company believes that by combining JAL's airline expertise, Sojitz's financial functions, and the Target Company's practical on site skills, the Target Company will be able to make proposals that better captures customer demands; resulting in a business model that maximizes the value of decommissioned equipment such as leasing decommissioned aircraft owned by airlines to third parties. The Target Company believes that this business model will expand the revenue and improve the profitability of not only the Target Company itself but also that of JAL, and Sojitz.

(d) Enhancing collaboration in the environment-related businesses

JAL, Sojitz, and the Target Company have made addressing climate change their top management priority in order to meet the demands of a sustainable society. In the future, the Target Company believes that it will be able to accelerate initiatives that contribute to the prevention of global warming by reducing the number of the airport vehicles owned by the companies through the sharing of such airport vehicles, developing next-generation vehicles powered by electricity and hydrogen, and jointly promoting the improvement of infrastructure at airports, which will be the foundation for the operation of such business. Furthermore, the Target Company believes that, by promoting initiatives to reduce CO2 emissions, the Target Company will gain the support of customers who believe in sustainability, and this will lead to the expansion of the scale of JAL, Sojitz, and the Target Company businesses and the realization of efficient business operations of JAL, Sojitz, and the Target Company.

(C) Enhancing collaboration in the food sector in the foods and beverage business

The Target Company believes that it handles a diverse range of products in the food sector, including agricultural, marine, and livestock products, wine, and processed foods, and possesses highly specialized expertise and know-how in these areas. In October 2021, the Target Company executed a comprehensive collaboration agreement with Food Valley Tokachi Council and JAL to establish a system for the distribution of fresh and high-quality agricultural and livestock products of Tokachi to the general market through nationwide retailers, mainly in metropolitan areas (Tokyo, Kanagawa, Chiba, and Saitama), which are regions of large consumption. In addition, the Target Company has been expanding overseas exports of Japanese fresh foods and local specialty processed foods through the "Thonglor Japan Fresh Wholesale Market" business operated in Bangkok, Thailand. The Target Company believes that, in the future, it will have new revenue opportunities by expanding the target market for the "Regional Revitalization and Sixth Industry Project," which the Target Company is strategically pursuing, both domestically and abroad through collaboration between JAL, which boasts high quality transportation and has flights to and from 60 domestic airports and networks with local

governments in each region, and Sojitz, which has bases in eight countries in the ASEAN region and believes to have abundant information/personal connections.

(D) Enhancing collaboration in the insurance, real estate, and machinery and materials sectors in the life service business

In the insurance and real estate sectors, the Target Company believes that it has the ability to provide high-quality services and highly specialized know-how and systems for corporate groups that it has developed within the JAL Group since its foundation. JAL, Sojitz, and the Target Company intend to upgrade their services by incorporating the resources of each company into this foundation as well as to expand the revenue of the Target Company by utilizing the customer base and the trademark (branding power) of JAL. In the machinery and materials sector, the Target Company believes that the collaboration between JAL, Sojitz, and the Target Company enables the Target Company to find and develop new eco-friendly products that will lead to the promotion of sustainability, and this will contribute to the expansion of revenue and the improvement of the profitability of, not only the Target Company, but also JAL, Sojitz.

(E) Promoting group optimum management

JAL, Sojitz, and the Target Company believe that they will be able to realize more active personnel exchanges than in the past, such as mutual secondment, by consolidating through the Transactions or increasing the percentage of ownership. As a result of this, the Target Company believes that it will be able to provide its employees, who are the source of corporate value, with new areas of work and a variety of growth opportunities, and this will promote human resource development and, in the medium-to long-term, will enable optimal allocation of personnel between JAL, Sojitz, and the Target Company. In particular, the Target Company believes that, since JAL will position the Target Company as a “core company of non-airline business in the JAL Group,” the areas of work for employees of the Target Company will expand, and human resource development will be promoted. Furthermore, since it is undeniable that the overlapping cost burden of the Target Company continuing to be listed will be inefficient for both the JAL Group and the Sojitz Group as a whole, the Target Company believes that such burden will be eliminated by the Transactions and it will be able to concentrate management resources on business growth. The Target Company believes that it will be able to promote the group optimum management by realizing the optimal allocation of personnel and streamlining the costs between JAL, Sojitz, and the Target Company through implementing matters described above.

In addition to the above, the Target Company has identified “Materiality (material issues)” that it should prioritize as the Target Company’s group from a wide range of social issues, with growing demands for the realization of a sustainable society, and is promoting them. In the future, the Target Company intends to accelerate specific initiatives through its business to resolve many social issues it faces, such as climate change, food loss, and contributing to local communities, by deepening the collaboration between JAL, Sojitz, and the Target Company.

Subsequently, the Target Company received advice from a financial point of view from Nomura Securities, including the report on the result of the valuation of the Target Company Shares and the advice on the strategy for negotiations with JAL and Sojitz, received guidance and other legal advice on measures to secure the fairness of the procedures for the Transactions from Anderson Mori & Tomotsune and carefully evaluated whether to implement the Transactions and the appropriateness of the terms and conditions of the Transactions.

Regarding the Tender Offer Price, the Target Company has held discussions and negotiations with JAL and Sojitz multiple times since mid-October 2021. Specifically, the Target Company received a proposal from JAL and Sojitz, on October 15, 2021, to set the Tender Offer Price at 2,300 yen after comprehensively taking into account several factors, such as (i) the results of the due diligence conducted on the Target Company from around mid-September 2021 to around mid-October 2021, (ii) the possibility of the Target Company’s board of directors supporting the Tender Offer, and (iii) the outlook for tendering of shares in the Tender Offer. In response, on October 21, 2021, the Target Company requested reconsideration for the increase of the Tender Offer Price from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company. After that, the Target Company received a proposal from JAL and Sojitz to set the Tender Offer Price at 2,400 yen on October 22, 2021; however, in response to such proposal, the Target Company received a proposal from JAL and Sojitz, on

October 27, 2021, to set the Tender Offer Price at 2,450 yen, given the Target Company, on October 26, 2021, requested reconsideration for the further increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company. However, given, in response to such re-proposal, the Target Company, on October 27, 2021, requested reconsideration for the increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company, the Target Company received a proposal on October 29, 2021 to set the Tender Offer Price at 2,500 yen. Thereafter, the Target Company received a proposal, on October 31, 2021, to set the Tender Offer Price at 2,525 yen, given the Target Company, on October 29, 2021, again requested reconsideration for the further increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company; however, the Target Company requested reconsideration to set the Tender Offer Price at 2,560 yen on the same day from the perspective of securing as the favorable terms and conditions of the transaction as possible for the minority shareholders of the Target Company. On October 31, 2021, JAL and Sojitz determined to accept the request from the Target Company to set the Tender Offer Price at 2,560 yen and informed such to the Target Company. As a result of continued discussions and negotiations with JAL and Sojitz, taking into account the details of the above-mentioned discussions in relation to the Tender Offer Price, on October 31, 2021, the Target Company reached an agreement with JAL and Sojitz that the privatization of the Target Company Shares by making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company is the best way to respond to changes in the business environment surrounding the Tender Offerors and the Target Company and to contribute to the enhancement of the corporate value of the Tender Offerors and the Target Company; therefore, the Target Company resolved at its board of directors' meeting held on November 2, 2021, as the Target Company's position as of said date, to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer if the Tender Offer is commenced.

In the process of the examinations and negotiations stated above, the Target Company made reports to the special committee from time to time on material aspects and received approval when necessary. Specifically, the Target Company obtained approval from the special committee after the special committee confirmed the rationality of the details, the material assumptions, and the preparation process, etc., of the Business Plan (as defined in "(b) Outline of calculation" of "(iv) Target Company's obtaining a share valuation report from an independent financial advisor and third party valuation institution" of "(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)" of "(B) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of Tender Offer" below; hereinafter the same) that was presented to JAL and Sojitz and constitutes the basis for the valuation of the Target Company Shares by Nomura Securities. In addition, upon the negotiations with JAL and Sojitz, the Target Company took measures in accordance with the strategy for the negotiations deliberated and determined by the special committee in advance and upon the receipt of the proposals on the Tender Offer Price from JAL and Sojitz, the Target Company immediately made reports to the special committee each time and took measures in accordance with instructions from the special committee.

Following this, on November 2, 2021, the Target Company received a written report from the special committee (the "Special Committee Report Dated November 2, 2021"), stating that the special committee believes that (A) the Transactions will contribute to the enhancement of the corporate value of the Target Company and the purposes of the Transactions are valid and reasonable, (B) the interests of the minority shareholders of the Target Company have been sufficiently considered through fair procedures in respect of the Transactions, (C) the fairness and appropriateness of the terms and conditions of the Transactions are ensured, (D) the Transactions are disadvantageous to the minority shareholders of the Target Company, and (E) the resolution by the board of directors of the Target Company, upon the announcement of the Tender Offer, to express an opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer is reasonable. (For the details of the Special Committee Report Dated November 2, 2021, please refer to "(ii) Target Company's establishment of the independent special committee" of "(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)" of "(B) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of Tender Offer" below.)

(iii) Details of determinations

In light of this background, the Target Company carefully discussed and evaluated, at the meeting of its board of directors held on November 2, 2021, whether the Transactions, including the Tender Offer, would contribute to increasing the corporate value of the Target Company and whether the terms and conditions of the Transactions, including the Tender Offer Price, are appropriate based on legal advice from Anderson Mori & Tomotsune, advice from a financial point of view from Nomura Securities, and a share valuation report on the result of the valuation of the Target Company Shares (the "Share Valuation Report (Nomura Securities)") received from Nomura Securities on November 1, 2021 and paid the utmost respect to the contents of the determinations by the special committee presented in the Special Committee Report Dated November 2, 2021.

As a result, the Target Company concluded that, by implementing the Transactions between JAL and Sojitz and the Target Company, it is expected that the synergies that are stated in "(A) Background, purpose and decision-making process leading to the conduct of the Tender Offer" above will be created and thereby contribute to increasing its corporate value.

The Target Company also determined that 2,560 yen per share as the Tender Offer Price is an appropriate price securing the interests that should be enjoyed by the minority shareholders of the Target Company and determined that the Tender Offer would provide the minority shareholders of the Target Company with a reasonable opportunity to sell the Target Company Shares at a price inclusive of an appropriate premium by taking into account various factors, including the following:

- a. the fact that it is recognized that the interests of minority shareholders is considered, such as conducting the measures to eliminate conflicts of interest as described in "(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)" of "(B) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of Tender Offer" below;
- b. the fact that the Tender Offer Price is a price that was agreed to with the Tender Offerors based on sufficient negotiations conducted on multiple occasions between the Target Company and the Tender Offerors after the Target Company took sufficient measures to ensure the fairness of the terms and conditions of the Transactions, including the Tender Offer Price, stated in "(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)" of "(B) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of Tender Offer" below;
- c. the fact that the Tender Offer Price is determined to be appropriate in the Special Committee Report Dated November 2, 2021 received from the special committee as described in "(ii) Target Company's establishment of the independent special committee" of "(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)" of "(B) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of Tender Offer" below;
- d. the fact that the Tender Offer Price was calculated inclusive of a respective premium of (A) 49.36% (to be rounded to the second decimal place; the same applies for each figure (%) of the premium on the share prices below) on 1,714 yen, the closing price on November 1, 2021, which is the business day immediately preceding the announcement date of the Transactions, (B) 48.66% on 1,722 yen, the simple average closing price (to be rounded to the nearest one (1) yen; the same applies for each calculation of the simple average closing prices below) for the past one-month period until November 1, 2021, (C) 48.75% on 1,721 yen, the simple average closing price for the past three-month period until November 1, 2021, and (D) 47.38% on 1,737 yen, the simple average closing price for the past six-month period until November 1, 2021 of the Target Company Shares on the First Section and the fact that it is recognized that the premiums that are included are appropriate when comparing with the average premium and median premium (about 40% to about 50%) offered in cases similar to the Transactions (tender offers the aim of which was to take the shares of the target company private), which were implemented after the press release regarding "Fair M&A Guidelines" was issued by the Ministry of Economy, Trade and Industry on June 28, 2019; and
- e. the fact that the Tender Offer Price is set at the level (A) exceeding the maximum value of the range under the average market price analysis and (B) falling within the range under the Discounted Cash Flow method (the "DCF method") among the result of the valuation of the

Target Company Shares by Nomura Securities as described in “(b) Outline of calculation” of “(iv) Target Company’s obtaining a share valuation report from an independent third party valuation institution” of “(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)” of “(B) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of Tender Offer” below.

Accordingly, the Target Company had resolved at its board of directors’ meeting held on November 2, 2021, as the Target Company’s position as of said date, to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer if the Tender Offer is commenced.

In addition, the Target Company had resolved at the above-mentioned board of directors’ meeting that, at the time of commencement of the Tender Offer, the Target Company will consult the special committee, which was established by the Target Company, to examine whether there is any change in their opinion as of November 2, 2021, and report to the Target Company’s board of directors, if there is no change of opinion, to such effect, and, if there is any change, the opinion of the special committee after such change. In light of such opinion, the Target Company has also resolved that it will express its opinion regarding the Tender Offer again at the time of commencement of the Tender Offer.

Since, in late December 2021, the Target Company was informed by the Tender Offerors, that, if the procedures and actions required under the Chinese competition law were completed by late January 2022, the Tender Offerors would commence the Tender Offer on February 1, 2022, subject to the condition that the Japan Fair Trade Commission accepted the prior notification under the Anti-Monopoly Act in respect of the Acquisition of Shares, the Target Company started preparations in order to examine the terms and conditions of the Tender Offer again. Thereafter, on January 21, 2022, the Target Company was informed by the Tender Offerors, that, since the procedures and actions required under the Chinese competition law had been completed and the Japan Fair Trade Commission had accepted the prior notification under the Anti-Monopoly Act in respect of the Acquisition of Shares, the Tender Offerors would commence the Tender Offer on February 1, 2022, subject to the satisfaction of the Conditions Precedent to the Tender Offer, excluding the condition that the procedures and waiting periods under the Japanese competition law (the Anti-Monopoly Act) have been completed. On January 11, 2022, the Target Company consulted with the special committee and requested it to examine whether or not there had been any change in the content of the Special Committee Report Dated November 2, 2021, and, if there had been no changes, to inform the board of directors of the Target Company to such effect, and, if there had been a change, to express its opinion after such change to the board of directors of the Target Company. After confirming with the Target Company the facts as to whether or not there had been any material change in circumstances which could affect the Transactions after November 2, 2021, and examining the above-mentioned consulted-on matters, the special committee confirmed that there had been no circumstances due to which the content of the Special Committee Report Dated November 2, 2021 should be changed, taking into consideration the circumstances from November 2, 2021 to January 31, 2022. On January 31, 2022, the special committee submitted, upon unanimous resolution by its members, to the board of directors of the Target Company, a written report (the “Special Committee Report Dated January 31, 2022”), stating that there were no changes in the above-mentioned opinion.

Moreover, after careful consideration of the terms and conditions of the Tender Offer, by paying the utmost respect to the content of the Special Committee Report Dated January 31, 2022 which was submitted by the special committee and by taking into account the Target Company’s business conditions and the circumstances surrounding the Transactions, the Target Company determined that, as of January 31, 2022, there were no factors to change its opinion with respect to the Tender Offer as of November 2, 2021.

Accordingly, at a meeting of the board of directors of the Target Company held on January 31, 2022, the Target Company resolved to again express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For details of the decision-making process at the above meeting of the board of directors of the

Target Company on November 2, 2021 and January 31, 2022, please refer to “(v) Target Company’s obtaining approvals from all non-interested directors of the Target Company and opinions from all non-interested auditors of the Target Company to the effect that they have no objections” of “(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)” of “(B) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of Tender Offer” below.

(C) Management policies subsequent to the Tender Offer

As of today, the officers of the Target Company consist of eight (8) directors and three (3) auditors, out of which, Mr. Yuji Saito, holds a position as a managing executive officer of JAL, Mr. Hiroto Murai, a director, holds a position as an executive officer of Sojitz, and Mr. Shigeyuki Taguchi, a director, holds a position as an executive officer of Japan Airport Terminal. In addition, the aforementioned Mr. Yuji Saito and one (1) other director of the Target Company are from JAL, and the aforementioned Mr. Hiroto Murai and one (1) other director of the Target Company are from Sojitz.

With respect to the management structure subsequent to the Transactions, it has been agreed under the Shareholders’ Agreement and the Non-Tender Agreement that the number of directors of the Target Company will be eight (8) in total, of which JAL will nominate two (2) directors (including the Representative Director and Executive Vice President), Sojitz will nominate two (2) directors (including the Representative Director and President), the Tender Offeror will nominate two (2) directors, Japan Airport Terminal will nominate one (1) director, and the Target Company will nominate one (1) director, and the number of auditors shall be two (2) in total, of which JAL will nominate one (1) auditor and Sojitz will nominate one (1) auditor. In addition, the Tender Offerors intend to continue to promote the development of permanent employees to become management personnel of the Target Company. Apart from that, The Tender Offerors do not plan to change the company name, trade name, or brand of the Target Company, nor do they plan to integrate the Target Company and its subsidiaries and affiliates with the JAL Group or the Sojitz Group. In addition, the Tender Offerors do not currently plan to change the terms of employment of the Target Company’s employees.

In addition to the changes in directors and auditors above, the governance system of the Target Company will be under the umbrella of the governance compliance system of the JAL Group, and the Tender Offerors will enhance the environment as necessary for the Target Company to grow sustainably as a trading company.

With regard to the management policy after the Transactions, JAL and Sojitz will enhance the corporate value of the Target Company through conducting integrated business operations with JAL, Sojitz, and the Target Company by leveraging the human resources of the Target Company and its know-how and uniqueness as a trading and logistics company. JAL and Sojitz plan to have discussions regarding the details of such integrated business operations with the Target Company in the future. In particular, the e-commerce business, the business collaborations with local manufacturers, and the development capabilities of the wide range of products, which have been developed and cultivated by the Target Company will also lead to the strengthening of business in commerce and collaboration with communities outlined in the “JAL Group Medium-Term Management Plan 2021-2025,” therefore, JAL, Sojitz, and the Target Company will work together to achieve this growth and the SDGs through their businesses by deepening the collaboration among JAL, Sojitz, and the Target Company. Furthermore, JAL, Sojitz, and the Target Company will create innovation by recognizing each of their roles and mutually exchanging human resources with diverse experiences and expertise in order to foster synergies among them.

(3) Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer

As of both November 2, 2021, on which the Tender Offerors determined the implementation of the Tender Offer, and today, the Target Company was not, and is not, a subsidiary of the Tender Offerors, and the Tender Offer did not, and does not, constitute a tender offer by a controlling shareholder; however, taking into account facts such as that, (i) JAL and Sojitz, as of November 2, 2021, on which the Tender Offerors determined the implementation of the Tender Offer, and, as of today, respectively held, and hold, 2,727,500 shares (ownership ratio: 21.56%) and 2,810,500 shares (ownership ratio: 22.22%) of the Target Company Shares, making the Target Company an

equity-method affiliate of both JAL and Sojitz, and the total number of the Target Company Shares held by JAL and Sojitz was, and is, 5,538,000 shares (ownership ratio: 43.78%), (ii) the Tender Offerors contemplate taking the Target Company Shares private by making the Tender Offerors and Japan Airport Terminal the only shareholders of Target Company, and (iii) one (1) director of the Target Company (Mr. Yuji Saito) holds a concurrent position at JAL, one (1) director of the Target Company (Mr. Hiroto Murai) holds a concurrent position at Sojitz, and one (1) director of the Target Company (Mr. Shigeyuki Taguchi) holds a concurrent position at Japan Airport Terminal, the Tender Offerors and the Target Company have implemented the following measures to respond to these issues from the perspective of ensuring fairness of the Tender Offer, eliminating any arbitrariness in the decision-making process leading up to the determination to implement the Tender Offer, and avoiding conflicts of interest. The description below regarding the measures implemented by the Target Company is based on the explanation from the Target Company.

Given that JAL, Sojitz, and Japan Airport Terminal hold total of 6,560,000 shares of the Target Company Shares (ownership ratio: 51.85%) as of today as stated in “(1) Overview of Tender Offer”, the Tender Offerors anticipate that, if the Tender Offerors set the minimum number of shares to be purchased that falls under the so-called “majority of minority” in the Tender Offer, the completion of the Tender Offer would become uncertain, and therefore, setting such minimum number of shares to be purchased may not contribute to the interests of the Target Company’s minority shareholders who desire to tender their shares in the Tender Offer, and the Tender Offerors have not set the minimum number of shares to be purchased that falls under the so-called “majority of minority”. However, as the Tender Offerors and the Target Company have implemented the measures set out in (A) through (F) below, the Tender Offerors believe that the interests of the Target Company’s minority shareholders have been sufficiently considered. In addition, considering the facts that (i) it is less necessary to set the minimum number of shares to be purchased because the Transactions are not transactions with a controlling shareholder and the degree of conflict of interest is relatively low, (ii) other measures to secure fairness have been adequately taken, and (iii) if a majority of minority condition is set, the Transactions may be interfered with by acquiring a relatively small number of shares, therefore, completion of the Tender Offer may be unstable and may not contribute to the interests of the minority shareholders who desire to tender their shares in the Tender Offer, the special committee has determined in the Special Committee Report Dated November 2, 2021 that it cannot be said that the appropriate measures to secure fairness have not been taken based only on the fact that a majority of minority condition does not exist, and the Target Company has also reached the same conclusion.

- (A) Tender Offerors’ obtaining a share valuation report from an independent third party valuation institution
- (B) Target Company’s establishment of the independent special committee
- (C) Target Company’s obtaining advice from an independent legal advisor
- (D) Target Company’s obtaining a share valuation report from an independent financial advisor and third party valuation institution
- (E) Target Company’s obtaining approvals from all non-interested directors of the Target Company and opinions from all non-interested auditors of the Target Company to the effect that they have no objections
- (F) Measures to ensure opportunities for tender offers from other tender offerors

For details of the above, please refer to “(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)” of “(B) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of Tender Offer” below.

- (4) Policy for organizational restructuring after the Tender Offer (matters relating to two-step acquisition)
As stated in “(1) Overview of Tender Offer,” the Tender Offerors intend to take the Target Company Shares private by making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company, and if the Tender Offeror is unable to obtain all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offerors and Japan Airport Terminal and treasury shares held by the Target Company) through the Tender Offer, the Tender Offerors plan to implement the following series of procedures after the completion of the Tender Offer so that the Tender Offeror will obtain all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offerors and Japan Airport Terminal and treasury shares held

by the Target Company).

Specifically, after the completion of the Tender Offer, the Tender Offerors, promptly after the settlement of the Tender Offer, intend to request the Target Company to hold an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") (As of today, the Extraordinary Shareholders' Meeting is scheduled to be held in mid-May 2022.), which will include the following proposals in the agenda items: (i) to conduct a consolidation of the Target Company Shares (the "Share Consolidation") pursuant to Article 180 of the Companies Act, and (ii) to make a partial amendment to the Target Company's Articles of Incorporation to abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. From the perspective of enhancing the corporate value of the Target Company, the Tender Offerors consider it desirable to hold the Extraordinary Shareholders' Meeting as soon as possible, and plan to request the Target Company to give public notice during the Tender Offer Period regarding the setting of a record date so that a date that is after and close to the commencement of the settlement of the Tender Offer (As of today, it is scheduled to be March 31, 2022.) will be the record date for the Extraordinary Shareholders' Meeting. If the Tender Offer is completed, the Target Company will respond to the above-mentioned requests from the Tender Offerors. The Tender Offerors intend to approve each of said proposals at the Extraordinary Shareholders' Meeting. If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, on the effective date of the Share Consolidation, the shareholders of the Target Company will hold the number of the Target Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting. If, due to the Share Consolidation, any fraction constituting less than one (1) share arises, each shareholder of the Target Company will be delivered an amount of cash, which is to be obtained by selling the Target Company Shares (the number of which is equivalent to the total number of such fractions constituting less than one (1) share; if any fraction constituting less than one (1) share arises with respect to such total number, such fraction shall be rounded down to the nearest whole number), to the Target Company or the Tender Offeror in accordance with the procedures provided in Article 235 of the Companies Act and other applicable laws and regulations. The sale price of such Target Company Shares, the number of which is equivalent to the total number of such fractions constituting less than one (1) share, will be calculated such that, as a result of the sale, the amount of cash delivered to each of the shareholders who do not tender their shares in the Tender Offer (excluding the Tender Offerors, Japan Airport Terminal and the Target Company) will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each of such shareholders. Upon conducting such calculation, the Tender Offerors will request the Target Company to file a petition with a court for permission with respect to voluntary sale of such Target Company Shares. Although the ratio of the consolidation of the Target Company Shares has not been determined as of today, the Tender Offeror intends to request the Target Company to determine the ratio of the Share Consolidation in such a way as to make the number of the Target Company Shares to be held by any of the shareholders (excluding the Tender Offerors, Japan Airport Terminal and the Target Company) who do not tender their shares in the Tender Offer a fraction constituting less than one (1) share so that only the Tender Offerors and Japan Airport Terminal will hold all of the Target Company Shares (excluding treasury shares held by the Target Company). However, in the case where any shareholder (excluding the Tender Offerors) holding a number of Target Company Shares which exceeds the number of Target Company Shares held by Japan Airport Terminal exists (or in cases where any shareholder (excluding the Tender Offerors) holding the number of the Target Company Shares which does not exceed, but is very close to, the number of the Target Company Shares held by Japan Airport Terminal) after the Tender Offer, the Tender Offerors will request the Target Company to determine the ratio of the Share Consolidation in such a way as to make the number of the Target Company Shares to be held by any of the shareholders including Japan Airport Terminal (excluding the Tender Offerors and the Target Company) who do not tender their shares in the Tender Offer, a fraction constituting less than one (1) share (even in such case, as, under the Non-Tender Agreement, JAL, Sojitz, and Japan Airport Terminal have agreed that, as soon as practicable after the completion of the Squeeze-Out Procedures, they will take necessary measures, such as stock splits of the Target Company Shares and transfers of the Target Company Shares among the Tender Offerors and Japan Airport Terminal, in order to alter the ratio of voting rights in the shares of the Target Company held by Japan Airport Terminal to 8.08%, after the Share Consolidation, Japan Airport Terminal is expected to repurchase the Target Company Shares in order to alter the ratio of voting rights in the shares of the Target Company held by it to 8.08%).

In the interest of protecting the rights of minority shareholders relating to the Share Consolidation, the Companies Act provides, that, if the Share Consolidation is conducted and any fraction constituting less than one (1) share arises, the shareholders of the Target Company (excluding the Tender Offerors, Japan Airport Terminal and the Target Company) may request the Target Company to purchase, at a fair price, all of their shares in fraction constituting less than one (1) share, and may file a petition with the court for determination of the price of the Target Company Shares pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. As stated above, as a result of the Share Consolidation, the number of the Target Company Shares held by the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Tender Offerors, Japan Airport Terminal and the Target Company) will be fractions constituting less than one (1) share, and, therefore, the shareholders of the Target Company who are against the Share Consolidation (excluding the Tender Offerors, Japan Airport Terminal and the Target Company) will be able to file the above-mentioned petition. In the event that such petition is filed, the sale price of the Target Company Shares will be finally determined by the court.

For each of the procedures mentioned above, the method or time of the implementation thereof may be changed due to the amendment to, or enforcement of, the relevant laws and regulations, the status of interpretation by the authorities of the relevant laws and regulations, etc. However, even in such cases, the Tender Offerors intend to take measures to eventually pay cash to each of the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Tender Offerors, Japan Airport Terminal and the Target Company) and cause the amount of cash to be paid to each of the shareholders to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by such shareholder. The specific procedures and the schedule thereof in the above cases will be announced by the Target Company once they are determined through mutual discussions between the Tender Offerors and the Target Company. In addition, if it is expected that the Squeeze-Out Procedures will be completed by June 30, 2022, immediately after the Share Consolidation becomes effective, the Tender Offerors intend to request that the Target Company make a partial amendment to the Target Company's Articles of Incorporation to abolish the provision about the record date for the voting rights regarding the Target Company's ordinary shareholders' meetings so that the Tender Offerors and Japan Airport Terminal will be the only shareholders who can exercise their rights at the Target Company's ordinary shareholders' meeting for the fiscal year ending March 2022 (As of today, it is scheduled to be held in early June, 2022.) (the "Ordinary Shareholders' Meeting"). If such amendment to the Target Company's Articles of Incorporation is made, pursuant to the Companies Act, shareholders who can exercise their voting rights at the ordinary shareholders' meetings to be held after such amendment will be shareholders who are registered or recorded in the shareholders' registry as of the date of such ordinary shareholders' meetings. Therefore, the shareholders of the Target Company may not exercise their rights at the Ordinary Shareholders' Meeting even if they are registered or recorded in the shareholders' registry of the Target Company as of March 31, 2022, although the current Target Company's Articles of Incorporation prescribes that shareholders who are registered or recorded in the shareholders' registry of the Target Company as of March 31, shall be entitled to exercise the voting rights at the Target Company's ordinary shareholders' meeting. However, the Tender Offer is not in any way intended to solicit the shareholders of the Target Company to approve the proposals at the Extraordinary Shareholders' Meeting. All shareholders of the Target Company need to take sole responsibility for seeking advice from their tax accountants with regard to the tax consequences of tendering their shares into the Tender Offer or participating in the procedures outlined above.

Under the Shareholders' Agreement, JAL and Sojitz have agreed that, they will take necessary measures, such as through stock splits of the Target Company Shares and transfers of the Target Company Shares among the Tender Offerors and Japan Airport Terminal, following the completion of the Squeeze-Out Procedures, if it is necessary to take such measures in order that the ratio of voting rights in the shares of the Target Company held by JAL and Sojitz be the same level as of November 2, 2021 which is the execution date of the Shareholders' Agreement (i.e., 21.56% in relation to JAL and 22.22% in relation to Sojitz), to the extent that the following conditions are satisfied: (A) JAL will make the Tender Offeror and the Target Company its consolidated subsidiaries, (B) Sojitz will have the Target Company as its equity-method affiliate, and (C) the ratio of voting rights in the shares of the Target Company held by Japan Airport Terminal will be altered

to 8.08%. Moreover, under the Non-Tender Agreement, JAL, Sojitz, and Japan Airport Terminal have agreed that, as soon as practicable after the completion of the Squeeze-Out Procedures, they will take necessary measures, such as stock splits of the Target Company Shares and transfers of the Target Company Shares among the Tender Offerors and Japan Airport Terminal, in order to realize (C) above (to alter the ratio of voting rights in the shares of the Target Company held by Japan Airport Terminal to 8.08%). Since the transfers of the Target Company Shares among the Tender Offerors and Japan Airport Terminal, which may be implemented under the Shareholders' Agreement and the Non-Tender Agreement, are planned to be conducted after the total number of issued shares of the Target Company has decreased due to the Share Consolidation, which will be conducted as part of the Squeeze-Out Procedures, the transfer price per share of the Target Company Shares in respect of such share transfers may be different from the Tender Offer Price. However, since such price is determined taking into consideration the ratio of the Share Consolidation (in the case where a stock split is conducted, the ratio of the stock split will also be considered), it is expected to be substantially the same as the Tender Offer Price.

(5) Possibility of, and reasons for, delisting

The Target Company Shares are listed on the First Section as of today. However, since the Tender Offerors have not set a maximum limit on the number of shares to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange, depending on the results of the Tender Offer. In addition, even in the case where the Target Company Shares do not fall under the criteria for such delisting at the time of the completion of the Tender Offer, the Tender Offerors plan to implement the procedures aimed at acquiring all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offerors and Japan Airport Terminal and treasury shares held by the Target Company), as set out in “(4) Policy for organizational restructuring after the Tender Offer (matters relating to two-step acquisition)” above, thereafter, pursuant to applicable laws and regulations, and, in the case where such procedures are implemented, the Target Company Shares will be delisted through the prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange. After delisting, the Target Company Shares may not be traded on the Tokyo Stock Exchange.

(6) Matters concerning material agreements regarding the Tender Offer

(A) Shareholders' Agreement

As set out in “(1) Overview of Tender Offer” above, on November 2, 2021, JAL and Sojitz entered into the Shareholders' Agreement, which includes the following contents, in connection with the implementation of the Transactions, the business operations of the Target Company, and other matters.

(a) Implementation of the Transactions

JAL and Sojitz agree that (i) they will have the Tender Offeror commence the Tender Offer subject to the satisfaction (or the waiver by the Tender Offerors) of the Conditions Precedent to the Tender Offer; (ii) they will not tender any of the Target Company Shares held by them in the Tender Offer; (iii) they will provide with the Tender Offeror funds for the settlement of the Tender Offer, in the event of the completion of the Tender Offer, by way of the Second Capital Increase, which will be conducted by subscribing for the shares of common stock to be additionally issued by the Tender Offeror by the immediately preceding business day of the date on which settlement of the Tender Offer is to commence (the ratio of the shares of common stock of the Tender Offeror to be subscribed for by JAL and Sojitz shall be 50.5:49.5); (iv) they will take reasonably necessary steps to promptly implement the Squeeze-Out Procedures if all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offerors and Japan Airport Terminal and treasury shares held by the Target Company) will not be acquired through the Tender Offer; and (v) after the implementation of the Squeeze-Out Procedures, (A) JAL will make the Tender Offeror and the Target Company its consolidated subsidiaries, (B) Sojitz will have the Target Company as its equity-method affiliate, and (C) the ratio of voting rights in the shares of the Target Company held by Japan Airport Terminal will be altered to 8.08%, and that JAL and Sojitz will implement, to the extent conditions (A) through (C) above are satisfied, necessary measures such as stock splits of the Target Company Shares and transfers of the Target Company Shares among the shareholders of the Target Company.

- (b) Organizational structure of the Tender Offeror
 JAL and Sojitz agree that, prior to the commencement of the Tender Offer, (i) the ratio of voting rights in the shares of the Tender Offeror held by JAL and Sojitz shall be altered to 50.50% and 49.50%, respectively; (ii) the number of directors of the Tender Offeror shall be four (4), of which JAL and Sojitz will nominate two (2) directors, respectively, and the director nominated by JAL shall be the representative director; and (iii) the number of auditors of the Tender Offeror shall be one (1), with JAL nominating the auditor.
- (c) Operation of the Target Company after the implementation of the Transactions
 JAL and Sojitz agree on matters related to the cooperation and collaboration by JAL and Sojitz in relation to the business operations of the Target Company, matters to be discussed in advance (Note 1), and the governance system of the Target Company (the number of directors shall be eight (8) in total, of which JAL will nominate two (2) directors (including a Representative Director and Executive Vice President), Sojitz will nominate two (2) directors (including a Representative Director and President), the Tender Offeror will nominate two (2) directors, Japan Airport Terminal will nominate one (1) director, and the Target Company will nominate one (1) director, and the number of auditors shall be two (2) in total, of which JAL will nominate one (1) auditor and Sojitz will nominate one (1) auditor).
- (d) Matters concerning the handling of the Target Company Shares
 JAL and Sojitz agree to (i) the restriction on transfer of the Target Company Shares for three (3) years following the implementation of the Transactions, and (ii) providing a right of first refusal (the right to make a preferential purchase of the Target Company Shares in the case of the other party transferring the Target Company Shares) and tag-along rights (the right to request the transfer of the Target Company Shares held by the requesting party to the planned transferee in the case of the other party transferring the Target Company Shares), which may be exercisable at the time of transfer to be conducted after the expiration of the transfer restriction period, and put option (the right to request the other party to purchase the Target Company Shares held by the requesting party) and call option (the right to request the other party to sell the Target Company Shares held by it) in certain cases, such as a breach by the other party of its obligations under the Shareholders' Agreement.
- (e) Others
 In addition to the above, provisions relating to representations and warranties (Note 2), and other general provisions (relating to confidentiality, events of cancellation, announcement, notice, exclusion of antisocial forces, prohibition of transfer of contractual status, entire agreement, governing law and jurisdiction, amendments to agreement, and good faith discussion) are stipulated.
- (Note 1) Under the Shareholders' Agreement, as matters related to the Target Company, matters to be discussed in advance shall be matters such as (i) matters to be resolved by special resolution at a general meeting of shareholders under the Companies Act, (ii) stock splits and free allotment of shares, (iii) acquisition and cancelation of treasury shares, (iv) increase or decrease in reserved amount, (v) increase in capital, (vi) acts involving increase or decrease in assets or liabilities, (vii) filing of legal bankruptcy proceedings and commencement of out-of-court settlement proceedings, (viii) initial public offering, and (ix) nomination of representative directors.
- (Note 2) Under the Shareholders' Agreement, JAL and Sojitz respectively represent and warrant (i) that it is duly incorporated and validly existing, (ii) that it has the power and capacity required for the execution and performance of the Shareholders' Agreement, and it has implemented the necessary procedures, (iii) the validity, legality and enforceability of the execution of the Shareholders' Agreement, (iv) that its execution and performance of the Shareholders' Agreement does not violate any laws, internal rules, agreements to which JAL or Sojitz is a party, or decisions of judicial or administrative agencies or the like, (v) the nonexistence of bankruptcy proceedings, etc., and (vi) its lawful and valid holding of the Target Company Shares.

(B) Non-Tender Agreement

As set out in "(1) Overview of Tender Offer" above, on November 2, 2021, JAL, Sojitz and Japan Airport Terminal entered into the Non-Tender Agreement, which includes the following contents.

- (a) Agreement on non-tender of shares in the Tender Offer

JAL, Sojitz and Japan Airport Terminal agree that (i) they will continue to hold all of their Target Company Shares until the effectuation of the Squeeze-Out Procedures, and in the event of the commencement of the Tender Offer, will not tender any of their Target Company Shares in the Tender Offer; (ii) if all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offerors and Japan Airport Terminal and treasury shares held by the Target Company) will not be acquired through the Tender Offer, they will take reasonably necessary steps to promptly implement the Squeeze-Out Procedures; (iii) they will implement necessary measures to alter the ratio of voting rights in the shares of the Target Company held by Japan Airport Terminal to 8.08% as soon as practicable after the implementation of the Squeeze-Out Procedures; and (iv) they will not claim for the cancellation or termination of any contracts with the Target Company's group because of the implementation of the Transactions.

(b) Matters concerning the operation of the Target Company after the Transactions
JAL, Sojitz and Japan Airport Terminal agree that Japan Airport Terminal will be entitled to nominate one (1) director of the Target Company.

(c) Others
In addition to the above, provisions relating to representations and warranties (Note), and other general provisions (relating to confidentiality, events of cancellation, announcement, notice, exclusion of antisocial forces, prohibition of transfer of contractual status, entire agreement, governing law and jurisdiction, amendments to agreement, and good faith discussion) are stipulated.

(Note) Under the Non-Tender Agreement, JAL, Sojitz, and Japan Airport Terminal respectively represent and warrant (i) that it is duly incorporated and validly existing, (ii) that it has the power and capacity required for the execution and performance of the Non-Tender Agreement, and it has implemented the necessary procedures, (iii) the validity, legality and enforceability of the execution of the Non-Tender Agreement, (iv) that its execution and performance of the Non-Tender Agreement does not violate any laws, internal rules, agreements to which JAL, Sojitz, or Japan Airport Terminal is a party, or decisions of judicial or administrative agencies or the like, (v) the nonexistence of bankruptcy proceedings, etc., and (vi) its lawful and valid holding of the Target Company Shares.

2. Outline of Tender Offer

(1) Outline of the Target Company

(A)	Name	JALUX Inc.												
(B)	Address	2-70, Konan 1-chome, Minato-ku, Tokyo												
(C)	Title and name of representative	Masashi Shinohara, Representative Director and Chief Executive Officer												
(D)	Business outline	Wholesale distribution (trading and logistics) Aviation & Airport Business, Life Service Business, Retail Business, and Food & Beverage Business												
(E)	Capital stock	2,558,550,000 yen												
(F)	Date of establishment	March 28, 1962												
(G)	Major shareholders and ownership ratios (as of September 30, 2021) (Note)	<table> <tbody> <tr> <td>Sojitz Corporation</td> <td>22.21%</td> </tr> <tr> <td>Japan Airlines Co., Ltd.</td> <td>21.55%</td> </tr> <tr> <td>Japan Airport Terminal Co., Ltd.</td> <td>8.07%</td> </tr> <tr> <td>Aioi Nissay Dowa Insurance Co., Ltd.</td> <td>3.67%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>3.57%</td> </tr> <tr> <td>Tokio Marine & Nichido Fire Insurance Co., Ltd.</td> <td>2.96%</td> </tr> </tbody> </table>	Sojitz Corporation	22.21%	Japan Airlines Co., Ltd.	21.55%	Japan Airport Terminal Co., Ltd.	8.07%	Aioi Nissay Dowa Insurance Co., Ltd.	3.67%	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.57%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	2.96%
Sojitz Corporation	22.21%													
Japan Airlines Co., Ltd.	21.55%													
Japan Airport Terminal Co., Ltd.	8.07%													
Aioi Nissay Dowa Insurance Co., Ltd.	3.67%													
The Master Trust Bank of Japan, Ltd. (Trust Account)	3.57%													
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2.96%													

	AIRPORT FACILITIES CO., LTD.	1.32%
	Custody Bank of Japan, Ltd. (Trust Account)	0.84%
	MAEDA ROAD CONSTRUCTION Co., Ltd.	0.82%
	MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd., Securities Management Department)	0.74%

(H) Relationship between the Tender Offeror and the Target Company

Capital relationship	N/A JAL, the parent company of the Tender Offeror, holds 2,727,500 shares of the Target Company Shares (ownership ratio: 21.56%). Sojitz, the shareholder holding 49.50% of the total voting rights in the shares of the Tender Offeror, holds 2,810,500 shares of the Target Company Shares (ownership ratio: 22.22%).
Personnel relationship	N/A One (1) of the directors of the Target Company holds the positions of representative director of the Tender Offeror and executive officer of JAL, the parent company of the Tender Offeror, and one (1) of the directors of the Target Company was formerly at JAL. Further, one (1) of the directors of the Target Company holds the position of executive officer of Sojitz, the shareholder holding 49.50% of the total voting rights in the shares of the Tender Offeror, and one (1) of the directors of the Target Company was formerly at Sojitz.
Business relationship	N/A The Target Company has a business relationship, involving wholesale of goods for in-flight sales and payment of listing fees, and the like, with JAL, the parent company of the Tender Offeror. The Target Company also has a business relationship, involving sale of goods and the like, with Sojitz, the shareholder holding 49.50% of the total voting rights in the shares of the Tender Offeror.
Status as related party	N/A The Target Company is an equity-method affiliate of JAL, the parent company of the Tender Offeror, and thus a related party of JAL. Further, the Target Company is an equity-method affiliate of Sojitz, the shareholder holding 49.50% of the total voting rights in the shares of the Tender Offeror, and thus a related party of Sojitz.

(Note) Information in "Major shareholders and ownership ratios (as of September 30, 2021)" is based on "Status of Major Shareholders" of the Second Quarterly Report for the 61st Fiscal Year filed by the Target Company on November 12, 2021 (the "Target Company's Second Quarterly Report").

(2) Schedule

(A) Schedule

Date of determination	Monday, January 31, 2022
Date of public notice of commencement of tender offer	Tuesday, February 1, 2022
Name of newspaper in which public notice is to be published	Public notice will be made electronically via the Internet, and a notice to that effect will be published in the Nikkei. (URL of the electronic notice: https://disclosure.edinet-fsa.go.jp/)
Filing date of tender offer registration statement	Tuesday, February 1, 2022

(B) Initially registered offering period

From Tuesday, February 1, 2022 to Wednesday, March 16, 2022 (thirty (30) business days)

- (C) Possibility of extension of tender offer period upon request of the Target Company
N/A
- (3) Price of tender offer
2,560 yen per share of common stock

(4) Basis for the calculation of the Tender Offer Price

(A) Basis of calculation

In order to ensure the fairness of the Tender Offer Price, when determining the Tender Offer Price, the Tender Offerors requested MUMSS, which is a third party valuation institution that is independent from the Tender Offerors, Japan Airport Terminal and the Target Company and is also a financial advisor of the Tender Offerors, to evaluate the value of the Target Company Shares. MUMSS is not a related party to the Tender Offerors, Japan Airport Terminal or the Target Company, and has no material interest in the Tender Offer.

As a result of consideration of the calculation methods for the Tender Offer, MUMSS analyzed the value of the Target Company Shares using the methods of (i) market price analysis and (ii) discounted cash flow analysis (the “DCF Analysis”), and the Tender Offerors obtained a share valuation report from MUMSS on November 1, 2021 (the “Share Valuation Report (MUMSS)”). The Tender Offerors have not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from MUMSS.

The results of the evaluation by MUMSS of the value per share of the Target Company Shares are as follows:

Market price analysis:	1,714 yen to 1,737 yen
DCF Analysis:	2,250 yen to 2,811 yen

The market price analysis, with the reference date of November 1, 2021, resulted in a value per share of the Target Company Shares ranging from 1,714 yen to 1,737 yen, based on the following prices of the Target Company Shares on the First Section of the Tokyo Stock Exchange: the closing price on the reference date (1,714 yen); the simple average closing price for the latest one (1)-month period (from October 4, 2021 to November 1, 2021) (1,722 yen (rounded to the nearest whole yen; hereinafter the same applies to simple average closing prices)); the simple average closing price for the latest three (3)-month period (from August 2, 2021 to November 1, 2021) (1,721 yen); and the simple average closing price for the latest six (6)-month period (from May 6, 2021 to November 1, 2021) (1,737 yen).

For the DCF Analysis, the value of the Target Company Shares was evaluated by discounting the amount of free cash flow that the Target Company is expected to generate after the fiscal year ending March 2022 to the present value at a certain discount rate, based on the Tender Offerors’ future earnings forecasts in respect of the Target Company for the fiscal years after the fiscal year ending March 2022, taking into consideration various factors, such as the business plan of the Target Company covering the fiscal years from the fiscal year ending March 2022 through the fiscal year ending March 2027, the latest business performance, and publicly available information. This analysis resulted in a value per share of the Target Company Shares ranging from 2,250 yen to 2,811 yen. The financial forecasts of the Target Company based on the business plans which MUMSS used for the calculation of the DCF Analysis include fiscal years in which significant increases or decreases are expected. Specifically, in the years ending March 2023, March 2024, and March 2025, it is anticipated that operating profits, ordinary profits, and net profits will increase significantly due to the restoration of the profit level prior to the spread of COVID-19, assuming that the relaxation of movement restrictions will gradually become normal due to the decrease in the number of people infected with COVID-19. In addition, the expected synergies to be realized through the Transactions are not reflected, because it was difficult to make specific numerical estimations of such expected synergies at the time of the evaluation.

The Tender Offerors and the Target Company comprehensively took into account several

factors, such as (i) the valuation results of the analysis methods stated in the Share Valuation Report (MUMSS) received from MUMSS, (ii) the results of the due diligence on the Target Company conducted from around the mid-September 2021 to around the mid-October 2021, (iii) the possibility of the Target Company's board of directors supporting the Tender Offer, and (iv) the outlook for tendering of shares in the Tender Offer, and, based on the results of the discussions and negotiations with the Target Company, the Tender Offerors and the Target Company agreed, on October 31, 2021, to set the Tender Offer Price at 2,560 yen per share of the Target Company Shares. The Tender Offer Price of 2,560 yen is above the upper limit of the calculation results based on the market price analysis and within the ranges of the valuation results based on the DCF Analysis of the share analysis methods stated in the Share Valuation Report (MUMSS) received from MUMSS. Therefore, the Tender Offerors determined that they would enter into the Shareholders' Agreement dated November 2, 2021, and the Tender Offeror would implement the Tender Offer to acquire all of the Target Company Shares (excluding the Target Company Shares held by JAL, Sojitz and Japan Airport Terminal and treasury shares held by the Target Company), subject to the Conditions Precedent to the Tender Offer being satisfied.

The Tender Offer Price of 2,560 yen per share represents (a) a premium of 49.36% on 1,714 yen, which is the closing price of the Target Company Shares on the First Section of the Tokyo Stock Exchange on November 1, 2021, the business day immediately preceding the date of announcement by the Tender Offeror regarding the Tender Offer; (b) a premium of 48.66% on 1,722 yen, which is the simple average closing price for the latest one (1)-month period (from October 4, 2021 to November 1, 2021); (c) a premium of 48.75% on 1,721 yen, which is the simple average closing price for the latest three (3)-month period (from August 2, 2021 to November 1, 2021); and (d) a premium of 47.38% on 1,737 yen, which is the simple average closing price for the latest six (6)-month period (from May 6, 2021 to November 1, 2021).

(Note) In evaluating the value of the Target Company Shares, in principle, MUMSS adopted, without any change, the information provided from the Tender Offerors and the Target Company, publicly available information, and other relevant materials, and, assuming that all of such information and materials were accurate and complete, did not independently verify the accuracy and completeness of such information and materials. With respect to the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company and its affiliated companies, MUMSS did not independently conduct an evaluation or assessment of such assets or liabilities, nor did it make any request to a third party institution for appraisal or assessment of such assets and liabilities. In addition, MUMSS assumed that the information related to the financial forecasts of the Target Company was reasonably prepared by the Tender Offerors and the Target Company, based on best forecasts and judgments available to them as of November 1, 2021. The evaluation by MUMSS reflects the afore-mentioned information up to November 1, 2021.

(B) Process of calculation

(Process leading up to determination of the Tender Offer Price)

On June 24, 2021, JAL and Sojitz conveyed, as their initial proposal, to the Target Company their intention to implement the privatization of the Target Company Shares with the aim of enhancing the corporate value of the Target Company and in response to this, the Target Company expressed its intention to agree to discuss and negotiate JAL and Sojitz implementing the privatization of the Target Company Shares by JAL and Sojitz with the aim of enhancing the corporate value of the Target Company. In addition, Sojitz appointed Nagashima Ohno & Tsunematsu, in late June 2021, as its legal advisor, following which detailed negotiations in relation to the Transactions (Original Plan) were continued. Furthermore, the Tender Offerors appointed MUMSS, in early July 2021, as their financial advisor and third party valuation institution independent from the Tender Offerors, Japan Airport Terminal, and the Target Company. Thereafter, on August 23, 2021, JAL and Sojitz formally submitted to the Target Company a proposal in relation to the Transactions (Original Plan) in order to convey to the Target Company their intention to commence full-scale examination of the Transactions (Original Plan), and provided to the Target Company an initial explanation on the background leading to the proposal of the Transactions (Original Plan) and meaning and purpose of the Transactions. Since, in response to this, on September 9, 2021, the Target Company expressed its intention to agree to their engaging in discussions and negotiations for the implementation of the Transactions (Original Plan),

JAL and Sojitz began in-depth discussions and negotiations with the Target Company regarding the Transactions (Original Plan). Thereafter, JAL and Sojitz conducted due diligence from mid-September 2021 to mid-October 2021, to review the feasibility of the Transactions (Original Plan). Concurrently, JAL and Sojitz continued discussions and negotiations with the Target Company regarding various terms and conditions of the Transactions (Original Plan), including the Tender Offer.

Regarding the Tender Offer Price, JAL and Sojitz have held discussions and negotiations with the Target Company multiple times since mid-October 2021. Specifically, JAL and Sojitz made a proposal to the Target Company, on October 15, 2021, to set the Tender Offer Price at 2,300 yen after comprehensively taking into account several factors, such as (i) the results of the due diligence on the Target Company conducted by JAL and Sojitz from around mid-September 2021 to around mid-October 2021, (ii) the possibility of the Target Company's board of directors supporting the Tender Offer, and (iii) the outlook for tendering of shares in the Tender Offer. Since, in response to such proposal, the Target Company, on October 21, 2021, requested reconsideration for the increase of the Tender Offer Price from the perspective of giving consideration to the interests of the minority shareholders of the Target Company, JAL and Sojitz made a proposal to the Target Company, on October 22, 2021, to set the Tender Offer Price at 2,400 yen. In response to such re-proposal, the Target Company, on October 26, 2021, requested reconsideration for the further increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company and, then, JAL and Sojitz made a proposal to the Target Company, on October 27, 2021, to set the Tender Offer Price at 2,450 yen. However, in response to such proposal, the Target Company, on October 27, 2021, requested reconsideration for the increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company. Therefore, JAL and Sojitz made a proposal to the Target Company, on October 29, 2021, to set the Tender Offer Price at 2,500 yen. Thereafter, JAL and Sojitz made a proposal to the Target Company, on October 31, 2021, to set the Tender Offer Price at 2,525 yen, given the Target Company, on October 29, 2021, again requested reconsideration for the further increase from the perspective of giving further consideration to the interests of the minority shareholders of the Target Company; however, the Target Company requested reconsideration to set the Tender Offer Price at 2,560 yen from the perspective of securing as the favorable terms and conditions of the transaction as possible for the minority shareholders of the Target Company. On October 31, 2021, JAL and Sojitz determined to accept the request from the Target Company to set the Tender Offer Price at 2,560 yen and informed such to the Target Company. As a result of continued discussions and negotiations with the Target Company, taking into account the details of the above-mentioned discussions in relation to the Tender Offer Price, on October 31, 2021, JAL and Sojitz reached an agreement with the Target Company that the privatization of the Target Company Shares by making the Tender Offerors and Japan Airport Terminal the only shareholders of the Target Company is the best way to respond to changes in the business environment surrounding the Tender Offerors and the Target Company and to contribute to the enhancement of the corporate value of the Tender Offerors and the Target Company; therefore, JAL and Sojitz determined, at their respective board of directors' meetings held on November 2, 2021, to set the Tender Offer Price at 2,560 yen and to implement the Tender Offer as part of the Transactions. On the same day, the Tender Offerors' Press Release Dated November 2, 2021 was published.

- (i) Name of the third party from whom the Tender Offerors received advice upon calculation
In order to ensure the fairness of the Tender Offer Price, when determining the Tender Offer Price, the Tender Offerors requested MUMSS, which is a third party valuation institution that is independent from the Tender Offerors, Japan Airport Terminal and the Target Company and is also a financial advisor of the Tender Offerors, to evaluate the value of the Target Company Shares. The Tender Offerors obtained the Share Valuation Report (MUMSS) concerning the results of the evaluation of the Target Company Shares on November 1, 2021. (The Tender Offerors have not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from MUMSS.)
- (ii) Summary of the advice from MUMSS

MUMSS evaluated the value of the Target Company Shares using the methods of market price analysis and DCF Analysis. The methods used for the evaluation and the ranges of the value per share of the Target Company Shares, which was calculated based on the above methods, are as follows:

Market price analysis:	From 1,714 yen to 1,737 yen
DCF Analysis:	From 2,250 yen to 2,811 yen

(iii) Background to the decision on the Tender Offer Price in consideration of advice from MUMSS

In determining the Tender Offer Price, the Tender Offerors comprehensively took into account several factors, by referencing the valuation results of the analysis methods stated in the Share Valuation Report (MUMSS) received from MUMSS, including the results of the due diligence on the Target Company conducted from the mid-September 2021 to the mid-October 2021, the possibility of the Target Company's board of directors supporting the Tender Offer, the level of premiums (from approximately 30% to approximately 50%) added to the tender offer prices in certain precedent tender offers conducted for the purpose of privatization, and the outlook for tendering the shares in the Tender Offer, and based on the results of the discussions and negotiations with the Target Company described in "(Process leading up to determination of the Tender Offer Price)" above, the Tender Offerors ultimately set the Tender Offer Price at 2,560 yen on November 2, 2021. The Tender Offer Price of 2,560 yen is above the upper limit of the calculation results based on the market price analysis and within the ranges of the valuation results of the analysis methods stated in the Share Valuation Report (MUMSS) received from MUMSS.

(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures to ensure fairness of the Tender Offer)

As of both November 2, 2021, on which the Tender Offerors determined the implementation of the Tender Offer, and today, the Target Company was not, and is not, a subsidiary of the Tender Offerors, and the Tender Offer did not, and does not, constitute a tender offer by a controlling shareholder; however, taking into account facts such as that (i) JAL and Sojitz, as of November 2, 2021, on which the Tender Offerors determined the implementation of the Tender Offer, and, as of today, respectively held, and hold, 2,727,500 shares (ownership ratio: 21.56%) and 2,810,500 shares (ownership ratio: 22.22%) of the Target Company Shares, making the Target Company an equity-method affiliate of both JAL and Sojitz, and the total number of the Target Company Shares held by JAL and Sojitz was, and is, 5,538,000 shares (ownership ratio: 43.78%), (ii) the Tender Offerors contemplate taking the Target Company Shares private by making the Tender Offerors and Japan Airport Terminal the only shareholders of Target Company, and (iii) one (1) director of the Target Company (Mr. Yuji Saito) holds a concurrent position at JAL, one (1) director of the Target Company (Mr. Hiroto Murai) holds a concurrent position at Sojitz, and one (1) director of the Target Company (Mr. Shigeyuki Taguchi) holds a concurrent position at Japan Airport Terminal, the Tender Offerors and the Target Company have implemented the following measures to respond to these issues from the perspective of ensuring fairness of the Tender Offer, eliminating any arbitrariness in the decision-making process leading up to the determination to implement the Tender Offer, and avoiding conflicts of interest. The following description regarding the measures implemented by the Target Company is based on the explanation from the Target Company.

- (i) Tender Offerors' obtaining a share valuation report from an independent third party valuation institution
The Tender Offerors obtained the Share Valuation Report (MUMSS) concerning the result of the share valuation of the Target Company from MUMSS on November 1, 2021. For details please refer to "(A) Basis of calculation" above.
- (ii) Target Company's establishment of the independent special committee
 - (a) Process of establishment of the special committee, etc.
According to the Target Company's Press Releases, as described in "(B) Decision-making process of the Target Company" of "(2) Background, purpose and decision-

making process leading to the decision to conduct the Tender Offer and management policy following the Tender Offer” in “1. Purposes of Tender Offer” above, the Target Company established, by a resolution at the meeting of its board of directors held on September 16, 2021, a special committee consisting of four (4) members: Mr. Takashi Goto (attorney, SHIOMIZAKA) and Mr. Hisayuki Matsumoto (certified public accountant and tax accountant, Stand by C Co., Ltd.), being external experts, and Mr. Shigeru Ota and Ms. Yukari Yomo, being the independent outside directors of the Target Company, who neither have interests in the Tender Offerors, the Target Company and Japan Airport Terminal, which may have entered into an agreement with the Tender Offeror regarding the tender or non-tender of shares in the Tender Offer, nor in the Transactions. The purpose of establishment of the special committee was to eliminate arbitrariness in the decision-making process in respect of the Transactions and to ensure fairness, transparency and objectivity in the decision-making process of the Target Company. The special committee, by mutual vote among its members, elected Mr. Takashi Goto, who has extensive knowledge concerning M&A transactions, as its chairperson. In addition, the fee for the members of the special committee will only be a fixed fee to be paid regardless of the closing of the Transactions or the details of the special committee’s report, and does not include any contingent fee subject to the announcement or closing of the Transactions, etc.

(b) Process of review

According to the Target Company’s Press Releases, the Target Company requested that the special committee (x) examine (1) whether the purposes of the Transactions were valid and reasonable (including whether the Transactions would contribute to the enhancement of the corporate value of the Target Company), (2) whether the fairness and appropriateness of the terms and conditions of the Transactions (including the price for the purchase of the Target Company Shares in respect of the Tender Offer) were ensured, (3) whether the interests of the shareholders of the Target Company had been sufficiently considered through fair procedures in respect of the Transactions, (4) in addition to the matters mentioned in the preceding (1) through (3), whether the Transactions were disadvantageous to the minority shareholders of the Target Company, and (5) the propriety or impropriety of the resolution by the board of directors of the Target Company to express an opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer (collectively, the “Consulted-on Matters”), and (y) submit its report on the Consulted-on Matters to the board of directors of the Target Company. With respect to the decision-making by the board of directors of the Target Company concerning the Transactions, the board of directors of the Target Company resolved that it would pay utmost respect to the determinations of the special committee, including the determination on whether to support the Tender Offer, and upon a determination by the special committee that the implementation of the Tender Offer or the terms and conditions of the Tender Offer were inappropriate, the board of directors of the Target Company would not support the Tender Offer. Furthermore, the board of directors of the Target Company, by its resolution regarding the establishment of the special committee, granted the special committee the authority to entrust to a third party institution and other advisors, at the Target Company’s cost, those matters, such as the evaluation of the Target Company Shares, deemed necessary by the special committee.

The special committee held 10 meetings in total during the period from September 24, 2021 to November 1, 2021, and discussed and examined the Consulted-on Matters. Specifically, the special committee confirmed that (i) since there were no issues with respect to the expertise and independence either of Nomura Securities, the financial advisor and third party valuation institution appointed by the Target Company, or of Anderson Mori & Tomotsune, the legal advisor appointed by the Target Company, the special committee had no objection to the Target Company’s receiving professional advice from such advisors, and (ii) although the special committee had the authority to appoint advisors of its own accord, the special committee would not appoint its own advisors because its members included professionals who were qualified as an attorney or certified public accountant. In addition, the special committee approved

the directors of the Target Company being involved in the discussions, negotiations and determinations in relation to the Transactions after confirming that there were no issues in relation to such directors, from the perspective of their interest in the Tender Offerors, the Target Company, and Japan Airport Terminal, which may have entered into an agreement with the Tender Offeror regarding the tender or non-tender of shares in the Tender Offer, and in the Transactions. Thereafter, the special committee (i) received explanations, based on materials provided by the Target Company, from the Target Company about the details of the proposals of Tender Offerors, the purposes of and reasons for the implementation of the Transactions, the effects of the Transactions on the corporate value of the Target Company, the matters that the Target Company would request of the Tender Offerors upon the implementation of the Transactions, the Business Plan (including the reasonableness and background of preparation thereof), the terms and conditions of the Transactions and the process of determination of such terms and conditions, and other matters, (ii) asked questions about such explanations, and (iii) received answers thereto.

Through such process, after exhaustive and careful discussions and reviews of the Consulted-on Matters, on November 2, 2021, the special committee submitted, upon unanimous resolution by its members, to the board of directors of the Target Company, the Special Committee Report Dated November 2, 2021, substantially of the following content, regarding the Consulted-on Matters.

(c) Details of determinations

A) Details of the report

- (1) The special committee believes that the Transactions will contribute to the enhancement of the corporate value of the Target Company and that the purposes of the Transactions are valid and reasonable.
- (2) The special committee recognizes that the interests of the minority shareholders of the Target Company have been sufficiently considered through fair procedures in respect of the Transactions.
- (3) The fairness and appropriateness of the terms and conditions of the Transactions have been ensured.
- (4) The special committee believes that the Transactions are not disadvantageous to the minority shareholders of the Target Company.
- (5) The resolution by the board of directors of the Target Company to express, at the time of the announcement of the Tender Offer, an opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer is proper.

B) Reasons for the determinations in the report

- (1) The special committee believes that the Transactions will contribute to the enhancement of the corporate value of the Target Company and the purposes of the Transactions are valid and reasonable
The Target Company's business is divided into four segments: (i) aviation & airport business, (ii) retail business, (iii) life service business, and (iv) food & beverage business.

Compared to the revenues in the past few fiscal years, during the fiscal year ended March 31, 2021, throughout which the spread of COVID-19 had an impact, the aviation & airport business and the retail business, the Target Company's core business segments, were significantly affected by sluggish international and domestic passenger demand, and the foods & beverage business was also affected, to no small extent, by the decline in demand for restaurants. As a result, the Target Company reported a consolidated operating loss of approximately 2.9 billion yen for the fiscal year ended March 31, 2021, which is a sharp drop of approximately 6.9 billion yen from the approximately 4.0 billion yen in consolidated operating profit reported for the fiscal year ended March 31, 2020.

Since the announcement of the JALUX group's medium-term management

plan, Next Stage 2020 (the “Former Medium-Term Management Plan”), on May 27, 2016, the Target Company has been working on revenue stream diversification, a strategy for strengthening its “non-aviation and airport domains,” promotion of innovation, promotion of sustainability, and ensuring business continuity. Nevertheless, COVID-19 had a significant impact on the business performance in the fiscal year ended March 31, 2021, the final year of the Former Medium-Term Management Plan, resulting in an ordinary loss of approximately 2.4 billion yen, which was significantly lower than the target of the Former Medium-Term Management Plan (a consolidated ordinary profit of 8 billion yen). The Target Company recognized that the outbreak of COVID-19 was extremely challenging for the Target Company’s group, which operates mainly in the aviation & airport business domain, and that the challenging business environment is expected to continue going forward. On the other hand, consumers are increasingly willing to purchase products at home, which the Target Company recognized as benefiting its group’s related business. Therefore, the Target Company has postponed formulating the next medium-term management plan for one year and, even in the current fiscal year, i.e., the fiscal year ending March 31, 2022, has been working to further develop and implement various measures in line with the Former Medium-Term Management Plan, in order to realize growth strategies that have a high probability of achieving sustained growth.

In this regard, the importance of building a sustainable earnings structure that is less affected by external factors such as COVID-19 is more than justified. The primary sources of the corporate value of the Target Company can be said to be the aviation & airport business domain, its product development capability and sales channels in the product sales business, and its food business, as well as its know-how, corporate culture, workplace environment, human resources, etc. that underlie the foregoing. On the other hand, as for the external environment, consumers’ willingness to purchase products at home is increasing due to the impact of COVID-19 and other factors, and the importance of sustainability typified by climate change and the like is recognized as an urgent issue.

In light of the above, both the management issues and the specific measures that the Target Company has recognized and implemented since the time of the Former Medium-Term Management Plan to date are appropriate and convincing. On the other hand, although the number of new cases of COVID-19 in Japan has most recently been on a decreasing trend, it is not easy to accurately predict the nature and rate of change in the external environment, such as the possibility of a resurgence of COVID-19 in the future, the recovery trend in the number of airline passengers, drastic changes in the global economy during/after COVID-19 pandemic, changes in lifestyles and consumer preferences, and the shrinkage of the market, as well as the feasibility of new businesses, and it is also difficult to deny that there will inevitably be uncertainties. Therefore, there is no assurance that the effects that the Target Company’s group is expecting from each of the above-mentioned measures will be certainly realized in the anticipated timeframe.

With respect to the Target Company’s relationship with JAL and Sojitz at the time of the submission of the Special Committee Report Dated November 2, 2021, the Target Company had established a partnership with JAL, such as (i) contracting out equipment sales operations regarding the aviation & airport business and (ii) licensing the use of the JAL brand in the retail business. Together with Sojitz, the Target Company had established a partnership in the retail business with respect to product and raw material transactions and the like. However, at that time, the Target Company was merely an equity method affiliate of JAL and Sojitz and had minority shareholders in addition to the two companies. Therefore, there is a natural limit on the support provided by the two companies based on the capital relationship at that time,

and in reality it is difficult to say that the Target Company is in receipt of the necessary and sufficient support to its satisfaction.

Based on the above-mentioned business environment, management issues, and the Target Company's relationship with JAL and Sojitz, the Target Company, JAL and Sojitz have a common understanding of the management issues of the Target Company. In addition, the Target Company, JAL and Sojitz are actually considering specific measures and qualitative effects of synergies after the execution of the Transactions in order to resolve such management issues.

Specifically, regarding the retail business, they are considering (i) promoting e-commerce business by leveraging the power of the branding, customer base, and mileage economic zone of JAL, and (ii) enhancing airport retail management business through collaboration between JAL, Sojitz, and the Target Company. Regarding the aviation & airport business, they are considering (i) the integration and consolidation of the aviation business between JAL, Sojitz, and the Target Company, (ii) enhancing cooperation with operating airports, (iii) expanding the volume of aircraft and related products and (iv) enhancing collaboration in the environment-related businesses. Regarding the food & beverage business, they are considering enhancing collaboration in the food sector. Regarding the life service business, they are considering enhancing collaboration in the real estate, insurance, and machinery and materials areas. Moreover, through providing new areas of work and a variety of growth opportunities for the Target Company's employees, who can be said to constitute a source of the corporate value of the Target Company, the execution of the Transactions will allow for promotion of personnel development, optimal allocation of personnel in the medium-to long-term and acceleration of specific initiatives related to sustainability.

The measures stated above accurately capture the above-mentioned management issues of the Target Company and are consistent with the medium-term policy of the Target Company. In addition, given the nature of the Target Company's previous partnerships with JAL and Sojitz, as well as the business, management policies, past results, etc. of JAL and Sojitz, there are no reasons deemed sufficient for denying the feasibility of such measures.

In light of these considerations, no significant disadvantages are found to arise in particular from the Transactions, given that, in the Transactions, the Tender Offerors have a policy of managing the Target Company so as not to compromise its unique qualities, such as its corporate culture, workplace environment, and human resources, and a certain degree of understanding and consideration is presented with respect to the sources of the corporate value of the Target Company, though it loses the advantage of being a listed company. On the other hand, the grounds for the Target Company's determination that it can expect further enhancement of its corporate value by achieving synergies above are reasonable and convincing.

Furthermore, the anticipated disadvantages of the Transactions have been appropriately and specifically reviewed, and no particular irrational points were found in such review. According to the results of such review, at minimum, it is not recognized that the Transactions would give rise to any disadvantages that clearly outweigh the above-mentioned advantages. In addition, from the perspective of enhancing the corporate value of the Target Company, there is no reason deemed sufficient to conclude that there is any alternative that would be more effective than the Transactions.

Therefore, the special committee believes that the Transactions will contribute to the enhancement of the corporate value of the Target Company

and that the purposes of the Transactions are valid and reasonable.

- (2) The special committee recognizes that the interests of the minority shareholders of the Target Company have been sufficiently considered through fair procedures in respect of the Transactions

In respect of the Transactions, various measures to secure fairness have been taken, including (i) the establishment of the special committee (including making practical efforts to enhance the effectiveness of the special committee), (ii) the appointment, at an early stage, of independent external experts (financial advisors and legal advisors), and obtaining of expert advice and the Share Valuation Report (Nomura Securities), (iii) securing of opportunities for proposing purchase after the announcement of the Transactions, (iv) the elimination of interested parties in discussions, negotiations, and resolutions in respect of the Transactions, (v) the improvement of transparency of processes through the enhancement of the provision of information to the minority shareholders, and (vi) the elimination of coercion.

In light of the particular circumstances of the Transactions, the special committee believes that the above-mentioned measures to secure fairness are necessary and sufficient with respect to the content and combination thereof, and have actually been operated in a valid manner, from the perspective of (i) establishing, in the process of forming the terms and conditions of transactions, circumstances which may be deemed equivalent to the circumstances existing in arm's length transactions, and (ii) securing opportunities for the minority shareholders to make an appropriate decision based on sufficient information.

Therefore, the special committee recognizes that the interests of the minority shareholders of the Target Company have been sufficiently considered through fair procedures in respect of the Transactions.

- (3) The fairness and appropriateness of the terms and conditions of the Transactions have been ensured

The special committee presumes that the minority shareholders of the Target Company will significantly enjoy not only the "value that can be realized without implementing the Transactions" but also the "expected synergies related to the enhancement of the corporate value through the Transactions" by receiving the Tender Offer Price in respect of the Transactions, comprehensively taking into account the fact that (i) circumstances which may be deemed equivalent to the circumstances existing in arm's length transactions have been secured in the process of setting the Tender Offer Price, through taking measures to secure fairness including the establishment and involvement of the special committee, and the Tender Offer Price has actually been agreed upon after good faith negotiations among the relevant parties; (ii) while (x) the Share Valuation Report (Nomura Securities) was prepared by a third party institution, which is a major business operator having extensive experience in Japan and is independent from the Tender Offerors, Japan Airport Terminal and the Target Company, and from the Transactions, (y) there seems to be no unreasonable points in respect of the financial forecasts, the assumptions and other matters which are basis of calculation, and (z) the methods and results of valuation seem to be reasonable, the Tender Offer Price is set at the level (a) exceeding the maximum value of the range under the average market price analysis and (b) falling within the range under the DCF method; and (iii) it can be evaluated that the level of premiums comparable to those of similar cases has been secured.

Furthermore, in terms of the scheme and other terms and conditions of transactions, since the methods and consideration in respect of the

Transactions are not disadvantageous with respect to the minority shareholders of the Target Company, the special committee recognizes that such scheme and other terms and conditions are fair and appropriate.

Therefore, the fairness and appropriateness of the terms and conditions of the Transactions have been ensured.

- (4) The special committee believes that the Transactions (including a series of transactions aimed at taking the Target Company Shares private, as described in “(1) Overview of Tender Offer” under “1. Purposes of Tender Offer” above) are not disadvantageous to the minority shareholders of the Target Company

The special committee considers that the matters which the special committee was requested to examine regarding (1) through (3) of the Consulted-on Matters are also factors to be taken into account in examining (4) of the Consulted-on Matters.

As described in detail above, as a result of the deliberations of the special committee, the special committee considers that there are no issues with respect to (1) through (3) of the Consulted-on Matters.

Therefore, the special committee believes that the Transactions are not disadvantageous with respect to the minority shareholders of the Target Company.

- (5) The resolution by the board of directors of the Target Company to express, at the time of the announcement of the Tender Offer, an opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer is proper

The special committee considers that the matters which the special committee was requested to examine regarding (1) through (3) of the Consulted-on Matters are also factors to be taken into account in examining (5) of the Consulted-on Matters.

As described in detail above, as a result of the deliberations of the special committee, the special committee considers that there are no issues with respect to (1) through (3) of the Consulted-on Matters.

Therefore, the special committee believes that the resolution by the board of directors of the Target Company to express, at the time of the announcement of the Tender Offer, an opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer is proper.

Since, in late December 2021, the Target Company was informed by the Tender Offerors, that, if the procedures and actions required under the Chinese competition law were completed by late January 2022, the Tender Offerors would commence the Tender Offer on February 1, 2022, subject to the condition that the Japan Fair Trade Commission accepted the prior notification under the Anti-Monopoly Act in respect of the Acquisition of Shares, the Target Company started preparations in order to examine the terms and conditions of the Tender Offer again and informed the special committee thereof. In response to this, from late December 2021, in connection with the examination of whether or not there had been any change in the content of the Special Committee Report Dated November 2, 2021, the special committee received advice from Nomura Securities and Anderson Mori & Tomotsune, collected information, by confirming with the Target Company, and/or by other methods, as to whether or not there had been any material change in circumstances which could affect the Transactions, and proceeded with the preparations for the examination. Thereafter, on January

21, 2022, the Target Company was informed by the Tender Offerors, that, since the procedures and actions required under the Chinese competition law had been completed and the Japan Fair Trade Commission had accepted the prior notification under the Anti-Monopoly Act in respect of the Acquisition of Shares, the Tender Offerors would commence the Tender Offer on February 1, 2022, subject to the satisfaction of the Conditions Precedent to the Tender Offer, excluding the condition that the procedures and waiting periods under the Japanese competition law (the Anti-Monopoly Act) have been completed. On January 11, 2022, the Target Company consulted with the special committee and requested it to examine whether or not there had been any change in the content of the Special Committee Report Dated November 2, 2021, and, if there had been no changes, to inform the board of directors of the Target Company to such effect, and, if there had been a change, to express its opinion after such change to the board of directors of the Target Company. After confirming with the Target Company the facts as to whether or not there had been any material change in circumstances which could affect the Transactions after November 2, 2021, and examining the above-mentioned consulted-on matters, the special committee confirmed that there had been no circumstances due to which the content of the Special Committee Report Dated November 2, 2021 should be changed, taking into consideration the circumstances from November 2, 2021 to January 31, 2022. On January 31, 2022, the special committee submitted, upon unanimous resolution by its members, to the board of directors of the Target Company, the Special Committee Report Dated January 31, 2022, stating that there were no changes in the above-mentioned opinion.

- (iii) Target Company's obtaining advice from an independent legal advisor
According to the Target Company's Press Releases, in order to ensure the transparency and reasonableness of the decision-making process regarding the Transactions, including the Tender Offer, the Target Company appointed Anderson Mori & Tomotsune, an external legal advisor, and received the necessary legal advice from Anderson Mori & Tomotsune about the decision-making process and method regarding the Transactions, including the Tender Offer, and other points to be noted in relation to the decision-making regarding the Tender Offer. Anderson Mori & Tomotsune is not a related party to the Tender Offerors, Japan Airport Terminal, or the Target Company, and has no material interest in the Transactions including the Tender Offer. In addition, the special committee, at its initial meeting, confirmed that there were no issues with respect to the independence of Anderson Mori & Tomotsune, and approved Anderson Mori & Tomotsune as the legal advisor.
- (iv) Target Company's obtaining a share valuation report from an independent financial advisor and third party valuation institution
 - (a) Name of the valuation institution and relationship with Target Company and the Tender Offerors
According to the Target Company's Press Releases, in conducting discussions, negotiations and determinations regarding the appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price, in order to ensure the fairness of such terms and conditions, the Target Company requested Nomura Securities, a financial advisor and third party valuation institution independent from the Tender Offerors, the Target Company and Japan Airport Terminal, which may have entered into an agreement with the Tender Offeror regarding the tender or non-tender of shares in the Tender Offer, and from the Transactions, to prepare the Share Valuation Report (Nomura Securities) and conduct incidental financial analyses, and obtained the Share Valuation Report (Nomura Securities) dated November 1, 2021. The board of directors of the Target Company believes that there have been no material changes in the facts which would affect the Share Valuation Report (Nomura Securities), taking into consideration the circumstances from the meeting of the board of directors held on November 2, 2021 to January 31, 2022, and also believes that the Share Valuation Report (Nomura Securities) continues to be effective in light of the advice received from Nomura Securities and Anderson Mori & Tomotsune.

Nomura Securities is not a related party of the Tender Offerors, Japan Airport Terminal, or the Target Company, and has no material interest in the Transactions including the Tender Offer. In addition, the special committee, at its initial meeting, confirmed that there were no issues with respect to the independence of Nomura Securities, and approved Nomura Securities as the financial advisor and third party valuation institution of the Target Company.

The fee to be paid to Nomura Securities in relation to the Transactions includes a contingent fee subject to the completion of the Tender Offer. The Target Company (i) determined, taking into consideration the normal business practice in similar transactions and the appropriateness of matters such as a fee system which would impose considerable financial burden on the Target Company in the case of the non-completion of the Transactions, that the independence of Nomura Securities would not be negated due to the inclusion of the contingent fee subject to the completion of the Tender Offer, and (ii) appointed Nomura Securities as its financial advisor and third party valuation institution under the above fee system.

(b) Outline of calculation

Nomura Securities evaluated the value of the Target Company Shares using the methods of (i) average market price analysis, since the Target Company Shares are listed on the First Section of the Tokyo Stock Exchange and market prices exist, and (ii) DCF method, in order to reflect the state of future business operations of the Target Company in the valuation. The Target Company has not obtained an opinion concerning the fairness of the price for the purchase of the Target Company Shares in respect of the Tender Offer (a fairness opinion) from Nomura Securities.

According to the Share Valuation Report (Nomura Securities), the ranges of the value per share of the Target Company Shares, which valuation was based on the above methods, are as follows:

Average market price analysis:	From 1,714 yen to 1,737 yen
DCF method:	From 2,203 yen to 3,754 yen

The average market price analysis, with the calculation reference date of November 1, 2021, resulted in a value per share of the Target Company Shares ranging from 1,714 yen to 1,737 yen, based on the following prices of the Target Company Shares on the First Section of the Tokyo Stock Exchange: the closing price on the reference date (1,714 yen); the simple average closing price for the latest five (5) business days (1,714 yen); the simple average closing price for the latest one (1)-month period (1,722 yen); the simple average closing price for the latest three (3)-month period (1,721 yen); and the simple average closing price for the latest six (6)-month period (1,737 yen).

For the DCF method, the corporate value was evaluated by discounting the amount of free cash flow that the Target Company is expected to generate after July 1, 2021 to the present value at a certain discount rate reflecting business risks, based on the assumptions that are considered reasonable, such as profit forecast and investment plans based on the financial forecasts from the fiscal year ending March 2022 through the fiscal year ending March 2027 (the "Business Plan"), which the Target Company prepared. Furthermore, the value of the Target Company Shares will be analyzed by making certain financial adjustments such as adding the value of cash equivalents held by the Target Company. This analysis resulted in a value per share of the Target Company Shares ranging from 2,203 yen to 3,754 yen. The range of discount rate is from 6.50% to 7.00%. In calculating terminal value, the perpetual growth rate model and multiple model are used. The value of the Target Company Shares is calculated at the perpetual growth rate ranging from -0.25% to 0.25%, and the EBITDA multiple of 5.50 to 7.50.

The financial forecast based on the business plan of the Target Company, which

Nomura Securities used for the calculation by the DCF method, is as follows.

As described in “(ii) Target Company’s establishment of the independent special committee” above, the special committee confirmed that there seemed to be no unreasonable points in respect of the financial forecasts, the assumptions and other matters which are basis of calculation, and the methods and results of valuation seemed to be reasonable.

The Business Plan includes the fiscal years for which substantial increase or decrease in profits is expected. Specifically, as it is expected that, for the fiscal years ending March 2023, March 2024 and March 2025, the profitability will gradually recover to the level before the spread of COVID-19 as a result of the decrease in the infection numbers regarding COVID-19, substantial increase in profits such as operating profit, ordinary profit and net profit is expected. The Business Plan does not include the expected synergies to be realized through the Transactions as it was difficult to estimate specifically at the time of the evaluation.

(Millions of yen)

	Fiscal year ending March 2022 (Note 1)	Fiscal year ending March 2023	Fiscal year ending March 2024	Fiscal year ending March 2025	Fiscal year ending March 2026	Fiscal year ending March 2027
Net Sales	87,840	127,973	152,909	172,264	174,692	175,963
Operating profit	786	1,936	3,721	4,751	5,036	5,159
EBITDA	1,601	2,936	4,721	5,751	6,036	6,159
Free cash flow	4,294	△822	△215	1,586	4,180	3,993

(Note 1) The fiscal year ending March 2022 is from July 1, 2021 to March 31, 2022 after the second quarter accounting period.

(Note 2) Nomura Securities evaluated the value of the Target Company Shares assuming that the public information and all information provided to Nomura Securities was accurate and complete, and did not independently verify the accuracy and completeness of such information. Nomura Securities did not independently conduct evaluation, appraisal or assessment (including analysis and evaluation of individual assets and liabilities) of the assets and liabilities of the Target Company (including derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities), nor did it make any request to a third party institution for appraisal or assessment of such assets and liabilities. Nomura Securities assumed that the management of the Target Company reasonably reviewed and prepared the financial forecasts of the Target Company (including the profit plan and other information) based on the best and good-faith forecasts and determinations available at the time of the evaluation. The evaluation by Nomura Securities reflects the information and economic conditions which Nomura Securities obtained by November 1, 2021. The evaluation by Nomura Securities was conducted only for the purpose of reference in order for the board of directors of the Target Company to examine the value of the Target Company Shares.

- (v) Target Company’s obtaining approvals from all non-interested directors of the Target Company and opinions from all non-interested auditors of the Target Company to the effect that they have no objections
According to the Target Company’s Press Releases, the board of directors of the Target Company carefully discussed and considered, from the perspective of enhancing the corporate value of the Target Company, the terms and conditions of the Transactions, taking into account the contents of the Share Valuation Report (Nomura Securities) and the legal advice received from Anderson Mori & Tomotsune, and paying the utmost respect to the contents of the Special Committee Report Dated November 2, 2021 obtained from the special committee.

As a result, as described in “(B) Decision-making process of the Target Company” of

“(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer and management policy following the Tender Offer” in “1. Purposes of Tender Offer” above, the board of directors of the Target Company determined that the Tender Offer would provide the shareholders of the Target Company with a reasonable opportunity to sell their shares, since (i) the Transactions, including the Tender Offer, would generate synergies related to “Enhancing retail business,” “Enhancing corporate strength and competitiveness of the aviation and airport businesses,” “Enhancing collaboration in the food sector in the foods and beverage business,” “Enhancing collaboration in the insurance, real estate, and machinery and materials sectors in the life service business,” and “Promoting group optimum management” described in “(B) Decision-making process of the Target Company” of “(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer and management policy following the Tender Offer” in “1. Purposes of Tender Offer” above and would enhance the corporate value of the Target Company, (ii) the Tender Offer Price and other terms and conditions of the Tender Offer were appropriate and have secured the interests that should be enjoyed by minority shareholders of the Target Company, and (iii) the Tender Offer would provide the minority shareholders of the Target Company with a reasonable opportunity to sell the Target Company Shares at a price inclusive of an appropriate premium, and therefore, would be appropriate with respect to the shareholders of the Target Company. As a result of such determination, the board of directors of the Target Company resolved, at its meeting held on November 2, 2021, that, if the Tender Offer was commenced, the Target Company would, as its opinion as of that day, express an opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

At the above-mentioned meeting of the board of directors of the Target Company, among the Target Company’s eight (8) directors, five (5) directors, excluding Mr. Yuji Saito, Mr. Hiroto Murai, and Mr. Shigeyuki Taguchi, participated in the deliberations and resolution, and all the directors who participated in the resolution unanimously passed the above-mentioned resolution. Since Mr. Yuji Saito also serves as a managing executive officer of JAL, Mr. Hiroto Murai also serves as an executive officer of Sojitz, and Mr. Shigeyuki Taguchi also serves as an executive officer of Japan Airport Terminal, which have entered into an agreement with JAL and Sojitz regarding the tender or non-tender of shares, in order to avoid potential conflicts of interest and ensure the fairness of the Transactions, Mr. Yuji Saito, Mr. Hiroto Murai and Mr. Shigeyuki Taguchi did not participate in any deliberations or the resolution at the above-mentioned meeting of the board of directors of the Target Company, nor did they, in their capacity as directors of the Target Company, participate in any discussions and negotiations held, in connection with the Transactions, with the Tender Offerors and Japan Airport Terminal.

On the other hand, among the directors of the Target Company, Mr. Kiyoshi Marukawa was formerly at JAL, and Mr. Masashi Shinohara was formerly at Sojitz. However, two (2) years have passed since their transfer to the Target Company, and they are not in a position to receive, nor do they have any relationship to be able to receive, as officers of the Target Company, instructions or the like from the Tender Offerors; therefore, it was determined that they were not likely to have conflicts of interest regarding the Target Company’s decision-making in respect of the Transactions, and they participated in the deliberations and the resolution at the above-mentioned meeting of the board of directors of the Target Company. In addition, three (3) auditors of the Target Company participated in the above-mentioned meeting of the board of directors of the Target Company, and all such auditors expressed the opinion that they had no objection to the passing of the above-mentioned resolution.

Since, in late December 2021, the Target Company was informed by the Tender Offerors, that, if the procedures and actions required under the Chinese competition law were completed by late January 2022, the Tender Offerors would commence the Tender Offer on February 1, 2022, subject to the condition that the Japan Fair Trade Commission accepted the prior notification under the Anti-Monopoly Act in respect of

the Acquisition of Shares, the Target Company started preparations in order to examine the terms and conditions of the Tender Offer again. Thereafter, on January 21, 2022, the Target Company was informed by the Tender Offerors, that, since the procedures and actions required under the Chinese competition law had been completed and the Japan Fair Trade Commission had accepted the prior notification under the Anti-Monopoly Act in respect of the Acquisition of Shares, the Tender Offerors would commence the Tender Offer on February 1, 2022, subject to the satisfaction of the Conditions Precedent to the Tender Offer, excluding the condition that the procedures and waiting periods under the Japanese competition law (the Anti-Monopoly Act) have been completed. In response to this, after careful consideration of the terms and conditions of the Tender Offer, by paying the utmost respect to the content of the Special Committee Report Dated January 31, 2022 which was submitted by the special committee and by taking into account the Target Company's business conditions and the circumstances surrounding the Transactions, the Target Company determined that, as of January 31, 2022, there were no factors to change its opinion with respect to the Tender Offer as of November 2, 2021.

Accordingly, at a meeting of the board of directors of the Target Company held on January 31, 2022, the Target Company resolved to again express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

At the above-mentioned meeting of the board of directors of the Target Company, among the Target Company's eight (8) directors, five (5) directors, excluding Mr. Yuji Saito, Mr. Hiroto Murai, and Mr. Shigeyuki Taguchi, participated in the deliberations and resolution, and all the directors who participated in the resolution unanimously passed the above-mentioned resolution. Since Mr. Yuji Saito also serves as a managing executive officer of JAL, Mr. Hiroto Murai also serves as an executive officer of Sojitz, and Mr. Shigeyuki Taguchi also serves as an executive officer of Japan Airport Terminal, which have entered into an agreement with JAL and Sojitz regarding the tender or non-tender of shares, in order to avoid potential conflicts of interest and ensure the fairness of the Transactions, Mr. Yuji Saito, Mr. Hiroto Murai and Mr. Shigeyuki Taguchi did not participate in any deliberations or the resolution at the above-mentioned meeting of the board of directors of the Target Company, nor did they, in their capacity as directors of the Target Company, participate in any discussions and negotiations held, in connection with the Transactions, with the Tender Offerors and Japan Airport Terminal.

On the other hand, among the directors of the Target Company, Mr. Kiyoshi Marukawa was formerly at JAL, and Mr. Masashi Shinohara was formerly at Sojitz. However, two (2) years have passed since their transfer to the Target Company, and they are not in a position to receive, nor do they have any relationship to be able to receive, as officers of the Target Company, instructions or the like from the Tender Offerors; therefore, it was determined that they were not likely to have conflicts of interest regarding the Target Company's decision-making in respect of the Transactions, and they participated in the deliberations and the resolution at the above-mentioned meeting of the board of directors of the Target Company. In addition, three (3) auditors of the Target Company participated in the above-mentioned meeting of the board of directors of the Target Company, and all such auditors expressed the opinion that they had no objection to the passing of the above-mentioned resolution.

- (vi) Measures to ensure opportunities for tender offers from other tender offerors
While the minimum period for tender offers under the law is twenty (20) business days, the Tender Offerors have set thirty (30) business days as the Tender Offer Period. By setting a relatively long Tender Offer Period, the Tender Offerors ensure an appropriate opportunity for the shareholders of the Target Company to make a decision whether to tender their shares in the Tender Offer while also ensuring an opportunity for tender offerors other than the Tender Offerors to conduct counter offers in respect of the Tender Offer Shares, through which means the Tender Offerors intend to ensure the appropriateness of the Tender Offer Price.

Moreover, the Tender Offerors and the Target Company have not entered into any agreement that includes deal protection provisions to prohibit the Target Company from having contact with a counter offeror or that would otherwise restrict a counter offeror from acts such as having contact with the Target Company. In this way, the Tender Offerors have given consideration to ensuring the fairness of the Tender Offer by not only setting the Tender Offer Period as above but also ensuring the opportunity for a counter offer.

- (C) Relationship with appraiser
MUMSS, the Tender Offerors' financial advisor, is not a related party of the Tender Offerors, Japan Airport Terminal or the Target Company, nor does it have any material interest in relation to the Tender Offer.

(5) Number of shares to be purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
6,090,711 (shares)	1,873,800 (shares)	- (shares)

(Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (1,873,800 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of the Tendered Shares is no less than the minimum number of shares to be purchased (1,873,800 shares), the Tender Offeror will purchase all of the Tendered Shares.

(Note 2) Since no maximum number of shares to be purchased has been set in the Tender Offer, the number of shares to be purchased is stated as 6,090,711 shares, being the maximum number of shares of the Target Company that can be acquired by the Tender Offeror through the Tender Offer. This figure (6,090,711 shares) represents (i) the total number of issued shares of the Target Company (12,775,000 shares) as of December 31, 2021, as stated in the Target Company's Third Quarter Financial Results, minus (ii) the total sum of (x) the number of treasury shares held by the Target Company (124,289 shares) as of December 31, 2021 and (y) the number of the Target Company Shares held by JAL (2,727,500 shares) as of today, the number of the Target Company Shares held by Sojitz (2,810,500 shares) as of today, and the number of the Target Company Shares held by Japan Airport Terminal (1,022,000 shares) as of today.

(Note 3) Shares less than one unit are also subject to the Tender Offer. If a right to request a purchase of shares less than one unit is exercised by a shareholder of the Target Company in accordance with the Companies Act, the Target Company may purchase its own shares less than one unit during the Tender Offer Period in accordance with procedures required by law.

(Note 4) The Tender Offeror does not intend to acquire the treasury shares held by the Target Company (124,289 shares) through the Tender Offer.

(6) Changes in ownership ratio of shares through the tender offer

Number of voting rights represented by shares held by the Tender Offeror before tender offer	-	(Ownership ratio of shares before tender offer: -%)
Number of voting rights represented by shares held by special related parties before tender offer	65,600	(Ownership ratio of shares before tender offer: 51.85%)
Number of voting rights represented by shares held by the Tender Offeror after tender offer	60,907	(Ownership ratio of shares after tender offer: 48.15%)
Number of voting rights represented by shares held by special related parties after tender offer	65,600	(Ownership ratio of shares after tender offer: 51.85%)

Total number of voting rights of all shareholders of the Target Company	126,507	
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- (Note 1) The “Number of voting rights represented by shares held by the Tender Offeror after tender offer” is the number of voting rights (60,907) with respect to the number of the shares to be purchased in the Tender Offer (6,090,711 shares).
- (Note 2) The “Number of voting rights represented by shares held by special related parties before tender offer” is stated as the total number of the voting rights represented by the Target Company Shares held by JAL, Sojitz and Japan Airport Terminal as of today as the shares held by each of the special related parties (excluding the parties who are excluded from the special related parties, pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, Etc. by Person other than Issuer (Ministry of Finance Ordinance No. 38 of 1990, as amended) (the “Cabinet Ordinance”), in calculating the ownership ratio of shares pursuant to each of the Items of Article 27-2, Paragraph 1 of the Act).
- (Note 3) The “Total number of voting rights of all shareholders of the Target Company” is the number of voting rights of all shareholders (calculated based on the unit share system, in which 100 shares constitute one unit) as of September 30, 2021 as stated in the Target Company’s Second Quarterly Report. However, since shares less than one unit are also subject to the Tender Offer, when calculating the “Ownership ratio of shares before tender offer” and the “Ownership ratio of shares after tender offer,” the number of voting rights (126,507) represented by 12,650,711 shares is used as the denominator. This number of shares (12,650,711 shares) represents: (i) the total number of issued shares (12,775,000 shares) as of December 31, 2021, as stated in the Target Company’s Third Quarter Financial Results, minus (ii) the number of treasury shares held by the Target Company (124,289 shares) as of the same day.
- (Note 4) The “Ownership ratio of shares before tender offer” and the “Ownership ratio of shares after tender offer” have been rounded to two decimal places.
- (7) Purchase price: 15,592,220,160 yen
 (Note) The amount obtained by multiplying the number of shares to be purchased through the Tender Offer (6,090,711 shares) by the Tender Offer Price (2,560 yen).
- (8) Method of settlement
- (A) Name and location of head office of financial instruments business operator/bank etc. in charge of settlement of tender offer
 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
 au Kabucom Securities Co., Ltd. (subagent) 3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
- (B) Commencement date of settlement
 Thursday, March 24, 2022
- (C) Method of settlement
 A notice regarding the purchase under the Tender Offer will be mailed to the address or location of tendering shareholders (or the standing proxy in the case of foreign shareholders) without delay after the expiration of the Tender Offer Period. Delivery through the subagent is to be made by electromagnetic means via the screen after logging in.
- The purchase will be settled in cash. The sale price pertaining to the share certificates, etc. that have been purchased is to be remitted from the tender offer agent or the subagent to the location specified by the tendering shareholders (or the standing proxy in the case of foreign shareholders) without delay after the commencement date of the settlement as instructed by the relevant tendering shareholder (or the standing proxy in the case of foreign shareholders).
- (D) Method of return of shares
 If all of the Tendered Shares are not purchased in accordance with the terms described in “(A) Conditions set forth in each item of Article 27-13, Paragraph 4 of the Act and the details thereof” and “(B) Conditions of withdrawal, etc. of the tender offer, details thereof and method of disclosure of withdrawal, etc.” of “(9) Other conditions and methods of purchase” below, the shares that need to be returned will be returned to tendering shareholders promptly after two (2) business days following the last day of the Tender Offer Period (the day of the withdrawal,

if the Tender Offer is withdrawn) by restoring the record of the shares to the state that existed immediately prior to the relevant tender.

(9) Other conditions and methods of purchase

(A) Conditions set forth in each item of Article 27-13, Paragraph 4 of the Act and the details thereof

If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (1,873,800 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of the Tendered Shares is no less than the minimum number of shares to be purchased (1,873,800 shares), the Tender Offeror will purchase all of the Tendered Shares.

(B) Conditions of withdrawal, etc. of the tender offer, details thereof and method of disclosure of withdrawal, etc.

If any event listed in Article 14, Paragraph 1, Items (1)1 through (1)10 and Items (1)13 through (1)19, Items (3)1 through (3)8 and (3)10, Item (4), as well as Article 14, Paragraph 2, Items (3) through (6) of the Enforcement Order occurs, the Tender Offeror may withdraw the Tender Offer.

In the Tender Offer, the “events that are equivalent to those listed in Items (3)1 through (3)9” in Article 14, Paragraph 1, Item (3)10 of the Enforcement Order shall refer to the following;

- (i) the case where it is found that there is a false statement, or an omission of, a material matter to be stated, in the statutory disclosure documents which the Target Company submitted in the past, where the Tender Offeror was not aware of the false statement or the omission and, despite using due care, the Tender Offeror was unable to be aware of the false statement or the omission; or
- (ii) the case where the events listed in Article 14, Paragraph 1, Items (3)1 through (3)7 occurs to the material subsidiary of the Target Company.

In addition, by the day immediately preceding the expiration date of the Tender Offer Period (including any cases where the Tender Offer Period is extended), with respect to the prior notification submitted by the Tender Offeror to the Japan Fair Trade Commission pursuant to the provisions of Article 10, Paragraph 2 of the Anti-Monopoly Act, if (i) the Tender Offeror receives, from the Japan Fair Trade Commission, a prior notice of a cease and desist order which orders the disposition of all or part of the Target Company Shares, the transfer of part of the business of the Tender Offeror, or any other equivalent disposition; (ii) the cease and desist period does not expire; or (iii) the Tender Offeror is subject to a petition for a court order for emergency suspension on suspicion of violating the provisions of Article 10, Paragraph 1 of the Anti-Monopoly Act, the Tender Offeror may withdraw the Tender Offer in accordance with it being a case where “Permission, etc.” could not be obtained as set forth in Article 14, Paragraph 1, Item 4 of the Enforcement Order.

If the Tender Offeror intends to withdraw the Tender Offer, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner set out in Article 20 of the Cabinet Ordinance and give a public notice immediately after the announcement.

- (C) Conditions to reduce purchase price, details thereof and method of disclosure of reduction Under Article 27-6, Paragraph 1, Item (1) of the Act, if the Target Company conducts any act set out in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price in accordance with the standards set out in Article 19, Paragraph 1 of the Cabinet Ordinance. If the Tender Offeror intends to reduce the Tender Offer Price, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner set out in Article 20 of the Cabinet Ordinance and give a public notice immediately after the announcement. If the Tender Offer Price is reduced, the Tender Offeror will also purchase the Tendered Shares on or before the date of the public notice at the reduced Tender Offer Price.

- (D) Matters concerning tendering shareholders' right to cancel the tender agreement
Tendering shareholders may, at any time during the Tender Offer Period, cancel their agreements for the Tender Offer. If an agreement is to be cancelled with the tender offer agent, the relevant tendering shareholders must deliver or send a Tender Offer Application Receipt and a document stating that such tendering shareholder cancels its agreement for the Tender Offer (the "Cancellation Notice") to the head office or other Japanese branches of the tender offer agent which received the application from such tendering shareholders, by 4:00 p.m. on the last day of the Tender Offer Period. The cancellation of the agreement will take effect when the Cancellation Notice has been delivered to or has otherwise reached the person specified below. However, if the Cancellation Notice is sent by postal mail, it must reach the person specified below by no later than 4:00 p.m. on the last day of the Tender Offer Period. If an agreement that was tendered through au Kabucom Securities Co., Ltd. (subagent) is to be cancelled, please log in and conduct cancellation procedures no later than 4:00 p.m. on the last day of the Tender Offer Period in the manner set out on the "Tender Offer Bid (TOB)" page (<https://kabu.com/item/tob/>) on the subagent's website (<https://kabu.com/>).

Person who is authorized to receive the Cancellation Notice
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
(Other Japanese branches of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)

Even if tendering shareholders cancel their agreements for the tender, the Tender Offeror will not make any claim for damages or the payment of penalties against such tendering shareholders. The Tender Offeror will bear all expenses incurred in returning Tendered Shares. If tendering shareholders request the cancellation of their agreements for the tender, the Tendered Shares will be returned in the manner set out in "(D) Method of return of shares" of "(8) Method of settlement" above promptly after the completion of the procedures for such request for cancellation.

- (E) Method of disclosure if the conditions of the Tender Offer are changed
The Tender Offeror may change the conditions, etc. of the Tender Offer unless such change is prohibited under Article 27-6, Paragraph 1 of the Act or Article 13 of the Enforcement Order. If the Tender Offeror intends to change any conditions, etc. of the Tender Offer, the Tender Offeror will give an electronic public notice and publish a notice to that effect in the Nikkei. However, if it is deemed difficult to give the public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement in the manner set out in Article 20 of the Cabinet Ordinance and give a public notice immediately after the announcement. If the conditions, etc. of the Tender Offer are changed, the Tender Offeror will also purchase the Tendered Shares on or before the date of the public notice in accordance with the changed conditions, etc. of the Tender Offer.
- (F) Method of disclosure if amendment statement is filed
If the Tender Offeror submits an amendment statement to the tender offer registration statement to the Director-General of the Kanto Local Finance Bureau (excluding the cases provided for in the proviso in Article 27-8, Paragraph 11 of the Act), the Tender Offeror will immediately make a public announcement of the content of such amendment statement that is relevant to the content of the public notice of the commencement of the Tender Offer in the manner set out in Article 20 of the Cabinet Ordinance. The Tender Offeror will also immediately amend the tender offer explanation statement and deliver the amended tender offer explanation statement to the tendering shareholders who have already received the original tender offer explanation statement. However, if the amendments are limited in scope, the Tender Offeror may instead prepare and deliver to tendering shareholders a document stating the reason for the amendments, the matters amended, and the details thereof.
- (G) Method of disclosure of results of tender offer
The results of the Tender Offer will be made public on the day following the last day of the Tender Offer Period in the manner set out in Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Ordinance.

(H) Other matters

The Tender Offer is not and will not be made, directly or indirectly, in or to the U.S., or by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication), or through any facilities of a securities exchange in the U.S. No one can tender shares in the Tender Offer by any means or instruments above, or through any facility above, or from the U.S.

In addition, the tender offer registration statement and other related documents are not and may not be sent or delivered by the postal service or any other means in, to, or from the U.S. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above will not be accepted.

Upon tendering shares through the Tender Offer, each of the tendering shareholders (or the standing proxy in the case of foreign shareholders) may be required to represent and warrant the following to the tender offer agent or subagent:

(i) The tendering shareholder is not located in the U.S. at the time of tendering shares or sending the tender offer acceptance form; (ii) the tendering shareholder did not receive or send any information regarding the Tender Offer (including copies thereof), directly or indirectly, in, to or from the U.S.; (iii) the tendering shareholder did not use, directly or indirectly, the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication) or any facilities of a securities exchange in the U.S. with respect to the purchase or for signing or delivering the tender offer acceptance form; and (iv) the tendering shareholder is not acting as an attorney, a trustee or a mandatary without discretion for any other person who is a resident of the U.S. (except for the case where the latter provides all instructions for the purchase from outside the U.S.).

(10) Date of public notice of commencement of tender offer

Tuesday, February 1, 2022

(11) Tender offer agent

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

The tender offer agent appoints the following subagent in order to subcontract a part of its services.
au Kabucom Securities Co., Ltd. (subagent) 3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

3. Post-tender offer policy, etc., and future outlook

For the policies after the Tender Offer, etc., please refer to “1. Purposes of Tender Offer” above.

4. Others

(1) Agreements between the Tender Offerors and the Target Company or its officers, and contents thereof

According to the Target Company's Press Release Dated November 2, 2021, the Target Company resolved, at its board of directors' meeting held on November 2, 2021, that if the Tender Offer were to be commenced, the Target Company would express, as its opinion at that time, an opinion in favor of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer.

In addition, according to the Target Company's Press Release Dated January 31, 2022, at a meeting of the board of directors of the Target Company held on January 31, 2022, the Target Company determined that, as of January 31, 2022, there were no factors that would change the opinion as of November 2, 2021 on the Tender Offer, and the Target Company resolved to again express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

For details on the above decision-making, please refer to “(v) Target Company's obtaining approvals from all non-interested directors of the Target Company and opinions from all non-interested auditors of the Target Company to the effect that they have no objections” of “(Measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest and other measures

to ensure fairness of the Tender Offer)” of “(B) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of Tender Offer” above.

- (2) Other information considered necessary for investors to decide whether to tender their shares in tender offer

- (A) Announcement of “Notice Regarding Revision to Year-End Dividend Forecast for Fiscal Year Ending March 2022 (Non-Payment) and Abolishment of Shareholder Rewards System”

Taking into account that the Tender Offer is to be commenced, the Target Company resolved, at its board of directors’ meeting held on November 2, 2021, not to make a year-end dividend for the fiscal year ending March 2022 by revising the year-end dividend forecast for the fiscal year ending March 2022, which was announced on July 30, 2021, from “to be determined” to “non-payment”. Taking into account that the Tender Offer Price was comprehensively determined based on the assumption that payment of year-end dividends, with reference date of March 31, 2022, would not be made, the Target Company resolved not to make a payment of year-end dividends for the fiscal year ending March 2022, although the Target Company recognized that distributing profits to shareholders was an important issue for management, and their basic policy was to make stable payment of dividends. In addition, the Target Company resolved, at its board of directors’ meeting, to abolish the shareholder rewards system from the shareholder reward with reference date of March 31, 2022. Accordingly, the Target Company’s shareholder rewards system will be abolished after payment of the shareholder reward for the shareholders of the Target Company who hold 100 or more shares of the Target Company as of September 30, 2021 is done.

For details, please refer to the press release titled “Notice Regarding Revision to Year-End Dividend Forecast for Fiscal Year Ending March 2022 (Non-Payment) and Abolishment of Shareholder Rewards System”, dated November 2, 2021.

- (B) Announcement of “Financial Results for the Third Quarter of Fiscal Year Ending March 2022 (Japan GAAP) (Consolidated)”

The Target Company announced the Target Company’s Third Quarter Financial Results on January 31, 2022. The outline of such announcement is as described below. It has not undergone the quarterly review by an auditor pursuant to the provisions of Article 193-2, Paragraph 1 of the Act. The following outline of the announcement is a partial excerpt from the contents announced by the Target Company. For details, please refer to the content of the disclosure by the Target Company.

(a) Profits and losses (consolidated)

Accounting period	Third cumulative quarterly consolidated accounting period (From April 1, 2021 to December 31, 2021)
Net Sales	33,598 million yen
Operating profit	△566 million yen
Ordinary profit	△261 million yen
Profit attributable to owners of parent	△319 million yen

(b) Per share information (consolidated)

Accounting period	Third cumulative quarterly consolidated accounting period (From April 1, 2021 to December 31, 2021)
Earnings per share	△25.24 yen
Dividends per share	0.00 yen

End

Solicitation Regulations

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

Forward-Looking Statements

This press release contains forward-looking statements concerning future plans and strategies of the Tender Offeror, the JAL Group and the Sojitz Group after the acquisition by the Tender Offeror of the Target Company Shares. These statements are based on the Tender Offerors' assumptions and beliefs in light of the economic, financial and other data currently available. The Tender Offerors therefore wish to caution readers that actual results might differ materially from their expectations due to various risks and uncertainty.

Restriction related to the U.S.

The Tender Offer is not and will not be made, directly or indirectly, in or to the U.S., or by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication), or through any facilities of a securities exchange in the U.S. No one can tender shares in the Tender Offer by any means or instruments above, or through any facility above, or from the U.S.

In addition, the tender offer registration statement or other related documents are not and may not be sent or delivered by the postal service or any other means in, to, or from the U.S. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above will not be accepted.

Other Countries

The announcement, issuance, or distribution of this press release may be legally restricted in some countries or territories. In such case, shareholders should be aware of and comply with such restriction. The announcement, issuance, or distribution of this press release shall not be interpreted as an offer to purchase or a solicitation of an offer to sell, but simply as a distribution of information.