November 26, 2020
Sojitz Corporation
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FOR IMMEDIATE RELEASE

Notice Regarding Commencement of Tender Offer for Shares of Pla Matels Corporation (TOKYO: 2714) by wholly-owned Subsidiary of Sojitz Corporation (Sojitz Pla-Net Corporation)

Sojitz Corporation (TOKYO: 2768) ("Sojitz") hereby announces that Sojitz Pla-Net Corporation ("Sojitz Pla-Net"), the wholly-owned subsidiary of Sojitz, resolved at its board of directors meeting held on November 26, 2020 to acquire the shares of Pla Matels Corporation (Code: 2714, JASDAQ Standard Market of the Tokyo Stock Exchange, Inc.) through a tender offer under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended).

For details, please refer to the attachment "Notice Regarding Commencement of Tender Offer for Shares of Pla Matels Corporation (TOKYO: 2714)" released by Sojitz Pla-Net.

Outline of Sojitz Pla-Net

Address	3-10, Umeda 3-chome, Kita-ku, Osaka, Japan
Name and title of representative	Kenichi Ariga, President
Business outlines	Sales, import, and export of plastics materials and products.
Capital stock	JPY 3,000 million (as of November 26, 2020)

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This press release also serves as notice given under Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act of Japan based on a request made by Sojitz Pla-Net Corporation (the Tender Offeror) to Sojitz Corporation (the Tender Offeror's parent company).

November 26, 2020

Sojitz Pla-Net Corporation

Kenichi Ariga, President

For questions, contact:

Toshihiko Matsuoka, Managing Executive Officer

TEL 03-6871-3000

Notice Regarding Commencement of Tender Offer for Shares of Pla Matels Corporation (TOKYO: 2714)

Sojitz Pla-Net Corporation (the "Tender Offeror") hereby announces that it resolved at its board of directors meeting held on November 26, 2020 to acquire the shares of common stock (the "Target Company Shares") of Pla Matels Corporation (the "Target Company"; Code:2714, JASDAQ Standard Market of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") ("JASDAQ")) through a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "Act"), as described below.

1. Purposes of Tender Offer

(1) Overview of Tender Offer

As of today, the Tender Offeror holds 3,980,000 shares (ownership ratio (Note):46.56%) of the Target Company Shares, which are listed on JASDAQ, and the Target Company is a consolidated subsidiary of the Tender Offeror. The Tender Offeror resolved at its board of directors meeting held on November 26, 2020, to conduct the Tender Offer as part of a transaction aiming at making the Target Company a wholly-owned subsidiary of the Tender Offeror (the "Transaction") by acquiring all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company).

(Note) "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 (8,548,251 shares) of the Target Company resulting from the following formula:
(i) the total number of issued shares of the Target Company (8,550,000 shares) as of September 30, 2020, as stated in the 92nd Fiscal Year Second Quarterly Report filed by the Target Company on November 12, 2020 (the "Target Company's Second Quarterly Report") minus (ii) the number of treasury shares held by the Target Company (1,749 shares) as of September 30, 2020, as stated in the "Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2021 (Japan GAAP) (Consolidated)," announced by the Target Company on October 28, 2020 (the "Target Company's Second Quarter Financial Results").

In connection with the Tender Offer, on November 26, 2020, the Tender Offeror has entered into an agreement with Asahi Kasei Corp. ("Asahi Kasei"), the second largest shareholder of the Target Company, to tender all of the Target Company Shares held by Asahi Kasei (number of held shares: 400,000; ownership ratio: 4.68%; the "Prospective Tendered Shares") in the Tender Offer (the "Tender Offer Agreement"). For details of the Tender Offer Agreement, please refer to "(6) Matters concerning material agreements regarding the Tender Offer" below.

In the Tender Offer, the Tender Offeror has set 1,718,800 shares (ownership ratio: 20.11%) 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. The Tender Offeror intends to make the Target Company a wholly-owned subsidiary through the Transaction, 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; the same applies hereinafter) 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 steady implementation of the Transaction, the Tender Offerror has set the minimum number of shares to be purchased such that the Tender Offeror 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 (1,718,800 shares) has been set such that the aggregate number of voting rights of the Target Company to be held by the Tender Offeror 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 (85,482) corresponding to the number of shares (8,548,251 shares) obtained by deducting (a) the number of treasury shares held by the Target Company (1,749 shares) as of September 30, 2020 stated in the Target Company's Second Quarter Financial Results, from (b) the total number of issued shares of the Target Company (8,550,000 shares) as of the same date stated in the Target Company's Second Quarterly Report).

Furthermore, as the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Transaction, if the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror plans to implement a series of procedures to make the Tender Offeror the sole shareholder of the Target Company after the Tender Offer (For details, please refer to "(4) Policy for organizational restructuring after the Tender Offer (matters relating to two-step acquisition").

According to the "Notice Regarding Expression of Opinion in favor of Tender Offer and Recommendation of Tender Offer by Sojitz Pla-Net Corporation, controlling shareholder, for Shares of Pla Matels Corporation" released on November 26, 2020 by the Target Company (the "Target Company Press Release"), the Target Company resolved at its board of directors meeting held on November 26, 2020, to express an opinion in favor of the Tender Offer and to recommend that the Target Company's shareholders tender the shares held by them in the Tender Offer. For details of the resolution by the Target Company's board of directors, please refer to "(v) Obtaining approvals from all directors of the Target Company without interests in the Transaction and opinions from all statutory auditors of the Target Company without interests in the Transaction 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 Tender Offeror was established in January 2004 as Pla-Net Corporation through the merger of three (3) companies, Pla-Net, Nissho Iwai Plastic, and Chori Pla-Techno, which were under the umbrella of Pla-Net Holdings, a joint holding company established by Nichimen Corporation and Nissho Iwai Corporation in the plastics business. In April 2007, the Tender Offeror changed its corporate name to Sojitz Pla-Net Corporation. In April 2015, Sojitz Pla-Net Holdings, the parent company of the Tender Offeror, was dissolved through an absorption-type merger with its parent company, Sojitz Corporation ("Sojitz"), and the Tender Offeror became a direct wholly-owned subsidiary of Sojitz. The chemicals division of the Sojitz Group (Note 1), general trading company, mainly deals with methanol, inorganic chemicals, petroleum resin, plastic etc., and supplies materials and products to various industries such as the automotive industry. The Tender Offeror, a core subsidiary in the chemicals division of the Sojitz Group, operates as a specialized trading company focusing on plastics materials and products, and the amount of its consolidated net sales was approximately 190 billion yen in the fiscal year ended March 31, 2020. Thus, the Tender Offeror recognizes that it is considered to be one of the top-class trading companies in the plastics industry. As of today, the Tender Offeror has two (2) consolidated subsidiaries and nine (9) equity-method affiliates.

(Note 1) As of today, "Sojitz Group" consists of Sojitz and 295 consolidated subsidiaries and

128 equity-method affiliates. As general trading company, the Sojitz Group is engaged in a diverse range of businesses globally, including the manufacture and sale of various products, the provision of services, the planning and coordination of various projects, investment in various businesses, and financial activities, both domestically and overseas.

The Tender Offeror's business domains are mainly divided into four (4) fields: “plastic-related”, “packaging materials”, “functional materials”, and “environmental materials and recycling”. Leveraging its know-how which enables it to complete imports and exports of these products, domestic and foreign transactions, and business investment and financing on its own, the Tender Offeror provides a global supply system and services for plastic raw materials, intermediate materials and products of plastics in all fields while flexibly responding to customer needs, in order to meet the global needs in respect of plastics. In recent years, the Tender Offeror has been aggressively pursuing initiatives in overseas markets, particularly in emerging markets, which continue to expand, including China and other Asian countries, and working to strengthen its capabilities so that it can respond quickly to the constantly changing business environment, and consistently provide the best solutions.

In addition, the Sojitz Group is pursuing the maximization of “two types of value”, which is the “value for Sojitz” and the “value for society” under the corporate mission statement of the Sojitz Group, to which the Tender Offeror belongs, that "The Sojitz Group creates value and prosperity by connecting the world with a spirit of integrity". Based on this basic management policy, the Sojitz Group has formulated and announced the “Medium-Term Management Plan 2020 ～Commitment to Growth～” (Note 2), and is working to improve such corporate value by steadily linking the previous efforts under “Medium-Term Management Plan 2017” to growth, aiming to become a company that continues to grow by taking on the challenge of achieving steady growth in the future.

(Note 2) For details of the “Medium-Term Management Plan 2020 ～Commitment to Growth ～”, please refer to the briefing material titled "Medium-Term Management Plan 2020 ～Commitment to Growth～" published by Sojitz on May 1, 2018 and a video of the “Medium-Term Management Plan 2020” conference held on May 2, 2018. These briefing material and video can be viewed on Sojitz's website.
Address: https://www.sojitz.com/en/corporate/strategy/plan/

On the other hand, the Target Company is a company established in March 1951 as Nihon-Jushi Ltd. for the purpose of selling plastics. As of today, the main businesses of the Target Company are the sale of plastic materials, plastic products, plastic-related machinery and plastic sheets, and the manufacture and sale of plastic filters. As of today, the Target Company has twelve (12) consolidated subsidiaries and one (1) equity-method affiliate.

In March 1961, the Target Company conducted a third party allotment to Nichimen Jitsugyo Kabushiki Kaisha, the predecessor of Nichimen Corporation, whereby Nichimen Jitsugyo Kabushiki Kaisha came to hold 4,000 shares of the Target Company Shares (equity ratio: 13.30% (since the precise number of treasury shares at that time cannot be confirmed , the ratio of shares to the total number of issued shares, which does not exclude the number of treasury shares, is stated as the equity ratio; hereinafter the same shall apply). In December 1994, the Target Company again conducted a third party allotment to Nichimen Corporation. As a result, the number of the Target Company Shares held by Nichimen Corporation became 122,000 shares (equity ratio: 55.50%) and Nichimen Corporation became the controlling shareholder of the Target Company. Subsequently, following the merger between the Target Company and Nichimen Plastics Co.,Lt. in October 1998, the number of the Target Company Shares held by Nichimen Corporation became 174,800 shares (equity ratio: 64.08%). However, as a result of the subsequent merger between the Target Company and Koshi Industrial Co., Ltd. in January 2000, the equity ratio of Nichimen Corporation decreased to 43.40%. Following the merger with Koshi Industrial Co., Ltd., the Target Company changed its corporate name to Pla Matels Corporation. Subsequently, although the number of the Target Company Shares held by Nichimen Corporation increased to 412,000 shares (equity ratio: 64.38%) as a result of the newly conducted third party allotment in March 2000, as a result of Nichimen Corporation’s selling 14,000 shares in the said month, the number of the Target Company Shares held by Nichimen Corporation at that time became 398,000 shares (equity ratio: 62.19%). In addition, as a consequence of the 10-for-1 share split conducted in August 2001, the number of the Target Company Shares held by Nichimen Corporation became 3,980,000 shares (equity ratio: 62.19%). In October 2001, the Target Company registered its shares on the OTC market with the Japan Securities Dealers Association. Although the number of the Target Company Shares held by Nichimen Corporation was 3,980,000 shares (equity ratio: 62.19%) immediately prior to the registration of the shares on the OTC market, as a result of the public offering conducted in conjunction with the relevant registration of the shares on the OTC market, the above-mentioned equity ratio decreased to 53.78%. Moreover, in December 2004, the Target Company cancelled the registration of its shares on the OTC market with the Japan Securities Dealers Association, and listed its shares on Jasdaq Securities Exchange, Inc. Since the relevant listing, because the total number of issued shares of the Target Company increased due to the public offering conducted in October 2003 and the third party allotment conducted in November 2003, as of today, the ownership ratio regarding the number of the Target Company Shares held by the Tender Offeror (3,980,000 shares) is 46.56%.

The Target Company is striving to contribute to smooth and efficient production by its customers, i.e., users and the development of new products aiming to further reduce costs and address environmental issues, with its core competencies (strengths) being as follows: the sophisticated expertise acquired and accumulated while the Target Company, as a trading company specialized in plastics, has been focusing on plastic products and the plastics industry for many years; and the mobility that can be exercised by a small number of elite employees; the close communication both with its customers, i.e., users, and raw material manufacturers under its more clearly defined, focused strategy; and the ability to make proposals and to promptly deliver a wide variety of small-lot products by leveraging its group network of domestic and overseas bases.

In the plastics industry, in which the Tender Offeror and the Target Company operate, the business environment is undergoing major changes. Demand for plastics such as engineering plastics (Note 3) and fiber reinforced plastics (Note 4) continues to expand due to growing needs from customers for plastics of lighter weight and improved processing ability. On the other hand, social demands for de-plastics are strengthening, such as the micro-plastics issues and the charging customers for plastic bags. In Asian countries, including China as the demand from major customers of the plastics, such as major electronics manufacturers, is increasing, plastics manufacturers in China and other Asian countries are increasing production at a remarkable pace. As the growth of the domestic market is expected to be limited, it is becoming increasingly important for Japanese plastics manufacturers, which are the main suppliers of the Tender Offeror and the Target Company, to accelerate their global expansion in overseas markets. With such business environment and the international competitive environment as the background, domestic trading companies in the plastics industry are increasingly required to respond precisely to the drastic changing needs of customers and to build the system to flexibly provide the global supply system and the services, and M&A activities, such as business alliances and mergers, are also active in order for companies to survive fierce international competition. In this environment, the Tender Offeror, which boasts the global network of 80 overseas bases that a specialized trading company would not have, as a member of general trading companies of the Sojitz Group, utilizes the Sojitz Group's network to support customers' global expansion by providing functions such as introducing industrial parks, assisting in foreign corporation registration, delivering production facilities, proposing financing, making molds, providing global supply of plastic materials, making local arrangements of coloring and other compounds, introducing logistics companies and warehousing companies (including bonded warehouses) and outsourcing inventory management, and supporting M&A to expand overseas operations and businesses.

(Note 3) "Engineering plastics" means plastics with excellent properties such as heat resistance and strength. In terms of working temperature and strength, they are positioned in an intermediate (complementary) position between metal and general-purpose plastics, and they achieve weight reduction and cost reduction as compared with metal and general-purpose plastics.

(Note 4) "Fiber reinforced plastics" means the plastic composite materials with strength enhanced by glass fibers, etc.

Against the backdrop of this business environment surrounding the plastics industry, from early April 2020, the Tender Offeror and Sojitz discussed how the plastics business of the Sojitz Group ought to be. In the course of such discussion, positioning of the Target Company among the Sojitz Group became one of the issues that should be addressed, and the Tender Offeror and Sojitz began full-scale discussion on the Transaction. Through such discussion, the Tender Offeror and Sojitz have examined whether it is rational to keep the Target Company as a listed subsidiary from the perspective of maximizing the corporate value of Sojitz Group, including whether doing so conforms to the business portfolio strategy of Sojitz Group and whether the benefits exceed the limitations and costs, based on the “Practical Guidelines for Group Governance Systems” issued by the Ministry of Economy, Trade and Industry of Japan on June 28, 2019. As a result, by early July 2020, the Tender Offeror and Sojitz concluded that conducting integrated business operations, rather than the Tender Offeror and the Target Company conducting their own business operations respectively, would lead to further sustainable growth and make it easier to pursue synergies for the Sojitz Group, including the Target Company, and would be the best choice from the perspective of enhancing the corporate value of both companies. In addition, by making the Target Company a wholly-owned subsidiary as a means of realizing integrated business operations, it will be possible to reduce various burdens as a listed company, such as listing maintenance costs for the Target Company, improve the efficiency of the management system, and utilize Sojitz's fundraising capabilities; the benefits for the Target Company will be extremely significant.

On the other hand, if the Target Company maintains its listing and remains a consolidated subsidiary of the Tender Offeror, it will not be possible to realize the above-mentioned benefits. In addition, because structural conflicts of interest between the Tender Offeror and the Target Company’s minority shareholders continue, it may be necessary, upon decision-making by the Target Company, to take prudent measures, such as taking measures to resolve such conflicts of interest. The Tender Offeror may be constrained in conducting business development in cooperation with the Target Company rapidly and flexibly, because it may be necessary for the Tender Offeror to give consideration to maintaining the independence of management of the Target Company as a listed company. Furthermore, in order to respond to the business environment and the international competitive environment surrounding the plastics industry, which are undergoing drastic changes as described above, it is considered necessary to pursue sustainable and long-term growth opportunities. However, it may take a considerable period of time for such pursuit of growth opportunities to lead to profit. Specifically, prior investments and temporary cost increases, which do not necessarily lead directly to maximizing the interests of the Target Company in the short-term, are anticipated when reallocating the management resources of the entire Sojitz Group to the Target Company, although it is intended that growth by utilizing the global network of the Sojitz Group will be achieved. Thus, the Tender Offeror and Sojitz believe that providing a reasonable opportunity for sales of shares without exposing the Target Company’s minority shareholders to the risk of decline in the share price associated with the short-term deterioration in earnings, etc., would contribute to the interests of the Target Company’s minority shareholders.

Accordingly, Sojitz, the wholly-owning parent company of the Tender Offeror, appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“MUMSS”), in early August 2020, as its financial advisor and third party valuation institution independent from the Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei, and made the initial proposal to the Target Company regarding the Transaction in late August, and, subsequently, appointed Nagashima Ohno & Tsunematsu, in early September 2020, as its legal advisor. Thereafter, on September 11, 2020, Sojitz and the Tender Offeror submitted a proposal to the Target Company and conveyed to the Target Company its intention to commence full-scale consideration of the Transaction, and provided with the Target Company an initial explanation as to the background leading to the proposal of the Transaction and meanings/purposes of the Transaction and thereafter, began detailed discussions and negotiations with the Target Company regarding the Transaction.

Thereafter, Sojitz and the Tender Offeror conducted due diligence from the middle of October 2020 to the middle of November 2020, to review the feasibility of the Transaction. Concurrently, Sojitz and the Tender Offeror continued discussions and negotiations with the Target Company regarding various terms and conditions of the Transaction, including the Tender Offer. As such discussions and negotiations advanced, in the middle of November 2020, Sojitz and the Tender Offeror reached a conclusion that making the Target Company a wholly-owned subsidiary of the Tender Offeror is the best option, because, by doing so, both companies can expect to enjoy a synergy effect, which will contribute to enhanced corporate value for both companies. Specifically, Sojitz and the Tender Offeror believes that after the execution of the Transaction, such synergy effect can be expected in the items described below.

(a) Utilization of Foreign Plastics Manufacturers having Business Relationships with Tender Offeror in Target Company's Business
The Target Company has a robust customer base both domestically and overseas, based on the track record it has cultivated since its foundation, its relationships with business partners, and its knowledge and know-how. However, in the midst of drastic changes in the business environment, from the viewpoint of maintaining a stable supply to the customers of the Target Company in the future, the Tender Offeror believes that it will be possible to expand the overseas business of the Target Company by utilizing foreign plastics manufacturers, which are business partners of the Tender Offeror, in the business of the Target Company, in addition to Japanese plastics manufacturers.

(b) Transfer of Certain Commercial Rights Held by Tender Offeror to Target Company
Currently, as the Target Company is a listed non-wholly-owned subsidiary of the Sojitz Group, the Tender Offeror and the Target Company operate their businesses independently of each other. However, if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror, the Sojitz Group will be able to consolidate certain commercial rights of Japanese manufacturers (such as precision instruments, OA-related products, consumer electronics-related products, and building materials) from the Tender Offeror to the Target Company, for which the Tender Offeror believes the Target Company's sales know-how and customer relation capabilities can be utilized. As a result, the Tender Offeror may intensively invest its management resources in barrier film for food packaging, environmentally conscious green plastics, next-generation automotive parts and sale of plastics for overseas users, which could lead to efficient and effective business operations and improvement of customer satisfaction.

(c) Utilization of Sojitz Group's Global Network
In order to utilize the efficient and effective business operations of the Sojitz Group and the sales know-how of the Target Company to the maximum extent, it will be necessary to conduct the reallocation of management resources of the entire Sojitz Group to the Target Company, and to conduct prompt decision-making regarding business development, including the strengthening of overseas expansion. The Tender Offeror believes that making the Target Company a wholly-owned subsidiary of the Tender Offer will expedite decision-making and enable the mutual use of the respective overseas plastic processing bases of the Tender Offeror and the Target Company, and the interaction of personnel with overseas sales experience, thereby establishing a system to flexibly provide global supply system and service, not just for the domestic market that has limited growth. Furthermore, it will be possible to use the Sojitz Group's global network of 80 overseas bases more widely for the Target Company's products, in addition to the products currently sold by companies of the Sojitz Group other than the Target Company.

(d) Strengthen Initiatives for Environmentally Conscious Plastics
Plastics are an indispensable ingredient for people to maintain a comfortable life, and the demand for plastics will continue to grow worldwide, and the plans to expand production systems are becoming more prominent. In recent years, however, the issue of micro-plastics, etc., and the reduction and disposition of waste plastics have become global issues. In response to these issues, the Tender Offeror is actively promoting the use of biomass plastics made from plants manufactured by overseas plastics manufacturers, or biodegradable plastics. The Target Company is also actively involved in plastic recycling through the purchase and sale of waste plastics, and the Tender Offeror believes that, through the Transaction, the proposal and supply functions will be further enhanced by the sale of bioplastics, for which the Tender Offeror has the agency rights, through the sales channels of the Target Company, the customer bases in the environmental and recycling fields, and the mutual use of the supplier bases.

(e) Utilization of Sojitz Group Finance
Currently, the Target Company is a listed non-wholly-owned subsidiary of the Sojitz Group, and cannot use the financial pooling system, based on the financial resources of the Sojitz Group, in which Sojitz lends money to wholly-owned subsidiaries of the Sojitz Group in Japan. On the other hand, if the Target Company becomes a wholly-owned subsidiary of the Tender Offeror, the relevant financial pooling system will become available, and the Target Company will not only be able to significantly reduce the procedural burden required for funding, but

also have the advantage of reducing funding costs. In addition, the Tender Offeror believes that it is effective, from the perspective of efficient use of management resources and cost reductions, to enable utilization of the funds obtained through this process for new investments.

(f) Cost Reductions through Efficient Use of Management Resources
The Tender Offeror believes that, through the Transaction, the Tender Offeror and the Target Company will be able to realize more active personnel exchanges, and in the medium-to long-term, it will enable the Sojitz Group's optimal allocation of personnel, by mutually complementing the inadequate areas of both companies and reducing overlapping functions. In addition, the double burden of costs associated with the continued listing of the Target Company will undeniably be inefficient for the Sojitz Group as a whole. Therefore, the Tender Offeror believes that the Transaction will eliminate this burden and make it possible to concentrate management resources on business growth.

Under the current capital relationship, there are certain restrictions on the efficient and proactive investment of management resources in the Target Company; the mutual use of management resources or personnel exchanges by and among the Sojitz Group, including the Tender Offeror, and the Target Company; and flexible decision-making and smooth operations, etc. In addition, even if the support from the Tender Offeror with respect to items (a) through (f) above contributes to the interests of the Target Company, in the case where any uncertainty exists regarding the benefit to be provided to the Sojitz Group, including the Tender Offeror, the Tender Offeror will have to carefully consider the implementation of such support. Furthermore, it is difficult for the Target Company to completely align the interests of the Sojitz Group, including the Tender Offeror, with those of the minority shareholders of the Target Company, when there are conflicts of interest between them. Thus, the Target Company needs to carefully consider measures to avoid conflicts of interest whenever implementing measures corresponding to items (a) to (f) above or conducting transactions as among the Target Company and the Sojitz Group, including the Tender Offeror, and therefore there can be situations where prompt decision-making and the implementation of measures will be difficult. On the other hand, if the Target Company becomes a wholly-owned subsidiary of the Sojitz Group, a system can be established that will enable integrated business operations, whereby sustainable growth, including the above synergies, can be envisioned.

Regarding the price for the purchase of the Target Company Shares in respect of the Tender Offer (the "Tender Offer Price"), the Tender Offeror held discussions and negotiations with the Target Company multiple times, after November 6, 2020. Specifically, on November 6, 2020, the Tender Offeror made a proposal to the Target Company to set the Tender Offer Price at 740 yen (the "Initial Proposal Price"). In response thereto, the Target Company requested a reconsideration. Accordingly, on November 11, 2020, the Tender Offeror again explained to the Target Company the reasonableness of the Initial Proposal Price. Subsequently, the Target Company again requested a reconsideration, on the grounds that it would be difficult to say that the Initial Proposal Price represented a sufficient premium, and, on November 18, 2020, the Tender Offeror made a proposal to set the Tender Offer Price at 760 yen. In response thereto, the Target Company requested a reconsideration to set the Tender Offer Price at 770 yen. As a result thereof, on November 24, 2020, the Tender Offeror [replied that it would accept the Tender Offer Price of 770 yen, and]reached the agreement with the Target Company; therefore, the Tender Offeror resolved at its board of directors meeting held on November 26, 2020 to conduct the Tender Offer as part of the Transaction.

In late August 2020, the Tender Offeror explained to Asahi Kasei its intention to implement the Transaction, and made the preliminary request to the Asahi Kasei as to tendering the Prospective Tendered Shares for the Tender Offer. Subsequently, as the discussion with the Target Company about the Transaction started in earnest, in late October 2020, the Tender Offeror began discussions with Asahi Kasei about the Tender Offer Agreement. Furthermore, from middle of November 2020, with taking into consideration the level of the Tender Offer Price, which had been in discussions and negotiations with the Target Company, the Tender Offeror continued discussions with Asahi Kasei, and agreed with Asahi Kasei to execute the Tender Offer Agreement upon the premise that the Tender Offer Price would be 770 yen upon which the Tender Offeror and the Target Company agreed, and thus, entered into the Tender Offer Agreement as of November 26, 2020.

When the Tender Offer is completed, the Tender Offeror is scheduled to obtain borrowing from Sojitz, the wholly-owning parent company, of up to 4 billion yen. The Tender Offeror will allocate such funds to the fund for the settlement of the Tender Offer etc.

(B) Decision-making process of the Target Company

According to the Target Company Press Release, in response to the proposal dated September 11, 2020, from Sojitz, the wholly-owning parent company of the Tender Offeror, and the Tender Offeror, the Target Company appointed, in the middle of September 2020, with respect to the Transaction, TMI Associates as legal advisor independent from the Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei, and independent from the Transaction, the Target Company also appointed, in early October 2020, YAMADA Consulting Group Co., Ltd. ("YAMADA Consulting") as financial advisor and third party valuation institution independent from the Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei, and independent from the Transaction. In addition, in light of the fact that the Tender Offeror is the controlling shareholder (parent company) of the Target Company, prior to the Target Company's deliberating and resolving on the appropriateness of the Transaction, the board of directors of the Target Company established, on October 6, 2020, a special committee (the "Special Committee") consisting of three members: Mr. Toku Murata, an external statutory auditor of the Target Company, as well as Mr. Takashi Kokubo (attorney, Kokubo Law Office) and Mr. Naoki Takahashi (certified public accountant, the Representative Director of Delta Space Co., Ltd.), the external experts, for the purpose of giving due consideration to the decision-making regarding the Transaction by the board of directors of the Target Company, and eliminating the possibility of the arbitrariness and conflict of interest in the course of the decision-making by the board of directors of the Target Company, with the aim of ensuring the fairness of the Transaction, thereby established a system to consider the proposals regarding the Transaction.

Under the above system, from early November, 2020, the Target Company has been engaged in several discussions and negotiations with the Tender Offeror, regarding the purpose of the Transaction and conditions for the Transaction, including the Tender Offer Price, with the advice of YAMADA Consulting and TMI Associates, based on the negotiation policy confirmed by the Special Committee in advance, as well as the opinions, instructions, and requests, etc., from the Special Committee on the important phases of negotiation.

Also, regarding the Tender Offer Price, the Target Company held discussions and negotiations with the Tender Offeror multiple times, after November 6, 2020. Specifically, on November 6, 2020, the Target Company received a proposal from the Tender Offeror to set the Tender Offer Price at the Initial Proposal Price of 740 yen; however, the Target Company requested a reconsideration. Accordingly, on November 11, 2020, the Tender Offeror again explained to the Target Company the reasonableness of the Initial Proposal Price. Subsequently, the Target Company again requested a reconsideration, on the grounds that it would be difficult to say that the Initial Proposal Price represented a sufficient premium, and, on November 18, 2020, the Tender Offeror made a proposal to set the Tender Offer Price at 760 yen. In response thereto, the Target Company requested a reconsideration to set the Tender Offer Price at 770 yen. As a result thereof, on November 24, 2020, the Target Company received a reply that the Tender Offeror would accept the Tender Offer Price of 770 yen. The Target Company's examination on the Tender Offer Price is as described below.

Based on the discussions and negotiations stated above, the Target Company came to believe that, in the severe business environment and the international competitive environment as described in "(A) Background, purpose and decision-making process leading to the conduct of the Tender Offer" above, if the Target Company conducts each of the following measures that the Tender Offeror aims to conduct, upon discussing with the Tender Offeror in good faith after the Transaction, and is able to realize the following synergetic effects, those synergetic effects would contribute to enhancing the corporate value the Target Company.

(a) Utilization of Foreign Plastics Manufacturers having Business Relationships with Tender Offeror in Target Company's Business
The Target Company currently has relationships with overseas plastics manufacturers as business partners (suppliers) as well as Japanese plastics manufacturers with whom the

Target Company traditionally does business, and the Target Company believes that, by adding other overseas plastics manufacturers that are business partners (suppliers) of the Tender Offeror, and by being shared know-how, etc. on transactions with overseas plastics manufacturers from the Tender Offeror, it will be possible to provide a stable supply to new business partners (purchasers) as the Target Company expands its overseas business as the business strategy in the future.

(b) Transfer of Certain Commercial Rights Held by Tender Offeror to Target Company
The Target Company believes that, if it, upon discussion with the Tender Offeror, selects, from the commercial rights held by the Tender Offeror, certain commercial rights (such as precision instruments, OA-related products, consumer electronics-related products, and building materials), for which the Target Company believes its sales know-how and customer relation capabilities can be utilized, and realizes a smooth consolidation of certain commercial rights from the Tender Offeror to the Target Company, the Target Company will be able to collect more customers' needs as well as to expand its revenue. The Target Company also believes that, understanding such customers' needs will lead to improve the Target Company's expertise and therefore improve its customer satisfaction.

(c) Utilization of Sojitz Group's Global Network
The Target Company believes that, upon discussion with the Tender Offeror, if appropriate mutual use of the overseas plastic processing bases of the Target Company and the Tender Offeror and the appropriate interaction of personnel with overseas sales experience are realized, it will be possible for the Target Company to improve its global supply system and services.

(d) Strengthen Initiatives for Environmentally Conscious Plastics
The Target Company has been sincerely addressing environmental issues by adhering to the corporate philosophy, "As a good corporate citizen, we will contribute to society by generating appropriate profits while giving consideration to the global environment and local communities". The Target Company believes, that through the Transaction, it will be able to address social issues such as environmental issues more actively, through the sales channels of the Target Company, and by promoting the sale of bioplastics, for which the Tender Offeror has the agency rights, the customer bases in the environmental and recycling fields, and the mutual use of the supplier bases.

(e) Utilization of Sojitz Group Finance
The Sojitz Group has a financial pooling system that can only be used by the group companies that have a 100% capital relationship with Sojitz; however, since the Target Company currently is a listed non-wholly-owned subsidiary of the Sojitz Group, it cannot use the financial pooling system. If the Target Company becomes a wholly-owned subsidiary of the Tender Offeror through the Transaction, the relevant financial pooling system will become available for the Target Company, and the Target Company will not only be able to reduce the procedural burden required for funding, but also be able to have the advantage of reducing funding costs. In addition, the Target Company believes that since these funds can be utilized for new investments, the financial pooling system will be effective for the Target Company from the perspective of efficient use of management resources and cost reductions.

(f) Cost Reductions through Efficient Use of Management Resources
The Target Company believes that, by becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction, the Target Company and the Tender Offeror will be able to realize more active personnel exchanges, and as a result, in the medium-to long-term, it will allow for mutually complementing the inadequate areas of both companies and reducing overlapping functions. In addition, the Target Company believes that its privatization will eliminate the burden of costs associated with the continued listing, and make it possible to concentrate management resources on business growth.

Moreover, the Target Company believes that, if it remains a listed company and a non-wholly-owned subsidiary of the Tender Offeror, it would be difficult to implement each of the above measures, or it would be difficult to implement them promptly and flexibly as it is necessary to consider the interests of the Target Company's minority shareholders. Therefore, the Target

Company came to believe that it is reasonable to become a wholly-owned subsidiary of the Tender Offeror through the Transaction in order to implement each of the above measures.

Furthermore, based on consideration of the following points, the Target Company has determined that the Tender Offer Price of 770 yen is a reasonable price at which the benefit to be enjoyed by the general shareholders of the Target Company is secured, and that the Tender Offer provides a reasonable opportunity to sell the Target Company Shares.

(i) The Tender Offer Price of 770 yen is [above the upper limit] of the result of the calculation under the market price analysis, and is [above the median value of the range of] the result of the calculation under the discounted cash flow method(the “DCF Method”), among the calculation results of the share valuation of the Target Company Shares by YAMADA Consulting as described in “b. Outline of calculation” of “(iv) Obtaining a share valuation report from an independent third party valuation institution by the Target Company” 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) The Tender Offer Price of 770 yen represents (a) a premium of 38.74% (rounded to two decimal places; hereinafter the same shall apply to the calculations of premiums) on 555 yen, which is the closing price of the Target Company Shares on JASDAQ on November 25, 2020, the business day immediately preceding the date of the announcement of the Tender Offer (today); (b) a premium of 38.49% on 556 yen (rounded to the nearest whole yen; hereinafter the same shall apply to simple average closing prices), which is the simple average closing price for the last one-month period; (c) a premium of 35.33% on 569 yen, which is the simple average closing price for the last three-month period; and (d) a premium of 34.85% on 571 yen, which is the simple average closing price for the last six-month period, and can be deemed to be a price with the premium at a reasonable level compared to the level of the average premium of the examples provided by YAMADA Consulting of a controlling shareholder’s making a company its wholly-owned subsidiary through a tender offer.

(iii) Since the measures to ensure fairness the Tender Offer described in “(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” below have been taken, it can be deemed that due consideration has been given to the interests of minority shareholders.

(iv) In addition to the above measures being taken, the Tender Offer Price of 770 yen is the price proposed as a result of multiple discussions and negotiations between the Tender Offeror and the Target Company, which are comparable to the discussions and negotiations in arm's length transactions.

(v) In a report received from the Special Committee dated November [25], 2020 (the “Special Committee Report”), it is stated that the Special Committee has determined that the appropriateness of the Tender Offer Price has been ensured, as described in “(ii) Establishment of the Special Committee independent from the Target Company and obtaining the Special Committee report by the Target Company” 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” under “(4) Basis for the calculation of the Tender Offer Price”.

As described above, the Target Company resolved at its board of directors meeting held on November 26, 2020, to express an opinion in favor of the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer.

For details of the decision-making process at the relevant board of directors meeting, please refer to “(v) Obtaining approvals from all directors of the Target Company without interests in the Transaction and opinions from all statutory auditors of the Target Company without interests in the Transaction 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 seven (7) directors and three (3) statutory auditors, out of which, Mr. Osamu Iwai, a director, holds a position as the Executive Vice President of the Tender Offeror and Mr. Yoshinori Suzuki, a director, holds a position as the Executive Officer of the Tender Offeror. In addition, four (4) of the directors of the Target Company, including the above two (2) directors, are formerly from Sojitz, the wholly-owning parent company of the Tender Offeror. With respect to the management policy subsequent to the Transaction, in deference to the Target Company's current management structure, the Tender Offeror intends to determine such management policy in discussion with the Target Company in the future in order to establish a structure that aims for realizing the enhancement of the corporate value through the integrated business management. The Tender Offeror does not plan to change the trade name, company name, or brand of the Target Company, nor does it plan to integrate the Target Company or its subsidiaries and affiliates with the Tender Offeror or any other companies in the Sojitz Group. In addition, the Tender Offeror does not currently plan to change the terms of employment of the Target Company's employees.

(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

Taking into account that the Target Company is a consolidated subsidiary of the Tender Offeror as of today and the Transaction falls under the category of a material transaction, etc. with a controlling shareholder, and also a transaction where issues with respect to structural conflicts of interest and information asymmetries between a tender offeror and minority shareholders typically exist, the Tender Offeror 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.

Given that the Tender Offeror holds 3,980,000 shares of the Target Company Shares (ownership ratio: 46.56%) as of today as stated in "(1) Overview of Tender Offer", the Tender Offeror thinks that, if the Tender Offeror sets 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 Offeror has not set the minimum number of shares to be purchased that falls under the so-called "majority of minority". However, as the Tender Offeror and the Target Company have implemented the measures set out in (A) through (F) below, the Tender Offeror believes that the interests of the Target Company's minority shareholders have been sufficiently considered. In addition, the Special Committee determines in the Special Committee Report, and the Target Company also determines, that it cannot be evaluated that the appropriate measures to secure fairness have not been taken based on only the fact that a majority of minority condition does not exist, given that the Target Company takes other measures to secure fairness sufficiently.

(A) Obtaining a share valuation report from an independent third party valuation institution by the Tender Offeror
(B) Establishment of the Special Committee independent from the Target Company and obtaining the Special Committee Report by the Target Company
(C) Obtaining advice from an independent law firm by the Target Company
(D) Obtaining a share valuation report from an independent third party valuation institution by the Target Company
(E) Obtaining approvals from all directors of the Target Company without interests in the Transaction and opinions from all statutory auditors of the Target Company without interests in the Transaction 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", because the objective of the Tender Offer is for the Target Company to become a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror is unable to obtain all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror plans to implement the following series of procedures after 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 Offeror and treasury shares held by the Target Company).

(A) Request for Sale of Shares

If the total number of voting rights held by the Tender Offeror is equal to or more than 90% of the total number of voting rights of all shareholders of the Target Company after the completion of the Tender Offer, the Tender Offeror intends, promptly after the settlement of the Tender Offer, to request all shareholders of the Target Company (excluding the Tender Offeror and the Target Company) to sell all of their Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company) to the Tender Offeror (the "Request for the Sale of Shares"), as stipulated in Article 179 of the Companies Act. In the event of a Request for the Sale of Shares, each of the Target Company Shares held by each shareholder of the Target Company (excluding the Tender Offeror and the Target Company) will be exchanged for cash consideration equal to the Tender Offer Price. In such case, the Tender Offeror will notify the Target Company of the Request for the Sale of Shares and seek the Target Company's approval thereof. If the Target Company approves the Request for the Sale of Shares by resolution of the board of directors, then, in accordance with the procedures provided for in applicable laws and regulations and without requiring the consent of the individual shareholders of the Target Company, on the day stipulated by the Request for the Sale of Shares, the Tender Offeror will acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and treasury shares held by the Target Company) held by shareholders of the Target Company (excluding the Tender Offeror and the Target Company) in exchange for cash consideration equal to the Tender Offer Price. According to the Target Company Press Release, in the event that the Request for the Sale of Shares is made by the Tender Offeror, the Target Company intends to approve such Request for the Sale of Shares at its board of directors meeting.

In the interest of protecting the rights of minority shareholders, the Companies Act provides that if the Request for the Sale of Shares is made, then in accordance with Article 179-8 of the Companies Act and other applicable laws and regulations, the shareholders of the Target Company (excluding the Tender Offer and the Target Company) may file a petition with a court to determine the sale price of their Target Company Shares. In the event that such petition is filed, the sale price of the Target Company Shares will be finally determined by the court.

(B) Share Consolidation

Alternatively, if the total number of voting rights held by the Tender Offeror is less than 90% of the total voting rights of all shareholders of the Target Company after the completion of the Tender Offer, the Tender Offeror, promptly after the settlement of the Tender Offer, intends to request the Target Company to hold an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") which includes 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 that would 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 Offeror considers it desirable to hold the Extraordinary Shareholders' Meeting as soon as possible, and plans to request the Target Company to give public notice during the period of the Tender Offer (the

"Tender Offer Period") regarding the setting of a record date so that the date that is after and close to the commencement of the settlement of the Tender Offer (as of today, it is scheduled to be January 22, 2021) will be the record date for the Extraordinary Shareholders' Meeting. In addition, as of today, the Extraordinary Shareholders' Meeting is scheduled to be held in early March 2021. The Tender Offeror intends 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 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 share arises, each shareholder of the Target Company (excluding the Tender Offeror) will be delivered an amount of cash which is to be obtained by selling the Target Company Shares, number of which is equivalent to the total number of such fractions constituting less than one share (if any fraction constituting less than one 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 for in Article 235 of the Companies Act and other applicable laws and regulations. The sale price of such Target Company Shares, number of which is equivalent to the total number of such fractions constituting less than one 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 Offeror and the Target Company) will be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each of such shareholders. Upon conducting such calculation, the Tender Offeror 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 of the Target Company that it determine the ratio of the Share Consolidation which will make the number of the Target Company Shares to be held, as a result of the Share Consolidation, by any of shareholders (excluding the Tender Offeror and the Target Company) who do not tender their shares in the Tender Offer a fraction constituting less than one share so that the Tender Offeror will hold all of the Target Company Shares (excluding treasury shares held by the Target Company).

In the interest of protecting the rights of minority shareholders, the Companies Act provides that if the Share Consolidation is conducted and any fraction constituting less than one share arises, the shareholders of the Target Company (excluding the Tender Offeror 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 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 Offeror and the Target Company) will be fractions constituting less than one share, and therefore, shareholders of the Target Company who are against the Share Consolidation (excluding the Tender Offeror 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 in (A) and (B) above, the method or time of the implementation therefor 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 Offeror intends to take any measures to eventually pay cash to each of shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror 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. 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 Offeror and the Target Company.

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 holders of the Target Company Shares 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.

(5) Possibility of and reasons for delisting

The Target Company Shares are listed on JASDAQ as of today. However, since the Tender Offeror has 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. Also, even in the case where the shares of common stock of the Target Company do not fall under the criteria for such delisting at the time of the completion of the Tender Offer, the Tender Offeror plans to implement the procedures aimed at acquiring all of the Target Company Shares (excluding Target Company Shares held by the Tender Offeror 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

As set out in "(1) Overview of Tender Offer" above, on November 26, 2020, the Tender Offeror entered into the Tender Offer Agreement with Asahi Kasei, under which the Tender Offeror and Asahi Kasei have agreed that Asahi Kasei will tender all of its Target Company Shares (number of shares held: 400,000 shares; ownership ratio: 4.68%) in the Tender Offer.

Under the Tender Offer Agreement, the performance of the obligation of Asahi Kasei to tender its Target Company Shares in the Tender Offer is subject to the conditions precedent that (a) at the meeting of the board of directors of the Target Company, the board of directors of the Target Company duly and validly resolved, upon unanimous approval of the directors who participated in the resolution, to express an opinion in favor of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer, and such opinion has been announced and no change or withdrawal of the opinion so expressed has been made; (b) the Tender Offer has duly and validly been commenced and has not been withdrawn; (c) the representations and warranties by the Tender Offeror set forth in the Tender Offer Agreement (Note 1) are true and correct in material respects; (d) the Tender Offeror has not breached, in material respects, its obligations set forth in the Tender Offer Agreement (Note 2); and (e) no petitions, litigations or proceedings filed with judicial or administrative agencies or other authorized agencies to seek the restriction or prohibition of the Tender Offer or the tendering by Asahi Kasei of its shares in the Tender Offer (limited to the petitions, litigations or proceedings for which it is reasonably determined that the possibility of restriction or prohibition of the Tender Offer or the tendering by Asahi Kasei of its shares in the Tender Offer based on such petitions, litigations or proceedings cannot be denied) are pending, and no laws and regulations, or no orders, dispositions or judgements of judicial or administrative agencies or other authorized agencies, which restrict or prohibit the Tender Offer or the tendering by Asahi Kasei of its shares in the Tender Offer, exist; provided, however, that Asahi Kasei is not restricted from, at its discretion, waiving all or part of the above-mentioned conditions precedent and tendering its Target Company Shares in the Tender Offer.

(Note 1) Under the Tender Offer Agreement, the Tender Offeror represents and warrants that as of the execution date of the Tender Offer Agreement, and the commencement date and settlement date of the Tender Offer, (i) the Tender Offeror has duly been established and is validly existing; (ii) the Tender Offeror has the powers and capacity necessary to execute and perform the Tender Offer Agreement, and has implemented procedures required for the execution and performance of the Tender Offer Agreement; (iii) the Tender Offer Agreement is validly and legally executed and the provisions of the Tender Offer Agreement is enforceable; (iv) the permits, approvals, etc. required for the execution and performance of the Tender Offer Agreement have been obtained; (v) the execution and performance of the Tender Offer Agreement will not breach the laws and regulations, the internal rules of the Tender Offeror, the agreements to which the Tender Offeror is a party, and judgments of judicial or administrative agencies, etc.; and (vi) any relationship with an anti-social force and demands under the threat of violence, etc. do not exist.

(Note 2) Under the Tender Offer Agreement, the Tender Offeror has, in addition to the obligation to commence the Tender Offer and confidentiality obligation, the obligations (i) to take appropriate measures so that the afore-mentioned (c) and (d) which are included in the conditions precedent to the obligation of Asahi Kasei to tender its shares in the Tender Offer will be satisfied; (ii) to immediately provide written notice to Asahi Kasei, if, by the settlement date of the Tender Offer, (x) the Tender Offeror breaches the representations and warranties stated in (Note 1) above or its obligations under the Tender Offer Agreement, (y) any of the conditions precedent to the performance of the obligation of Asahi Kasei to tender its shares in the Tender Offer becomes unable to be satisfied, or (z) any event that may cause reasonable possibility of the occurrence of the events of (x) or (y) above; and (iii) to indemnify damage, loss or expenses (including reasonable legal fees) incurred by Asahi Kasei due to or in relation to the breach of the obligations under the Tender Offer Agreement or the breach by the Tender Offeror of the representations and warranties stated in (Note 1) above.

If, by the last day of the Tender Offer Period, an tender offer for the Target Company Shares is commenced by a third party other than the Tender Offeror or otherwise a proposal for purchase of all or part of the Target Company Shares is made, and the purchase price for the Target Company Shares in respect of such tender offer, etc. exceeds the Tender Offer Price, Asahi Kasei may refuse to tender its shares in the Tender Offer or may cancel the agreement relating to the Tender Offer which has been completed upon Asahi Kasei's tendering of its shares in the Tender Offer.

2. Outline of Tender Offer

(1) Outline of the Target Company

(A)	Name	Pla Matels Corporation	
(B)	Address	7-35, Kitashinagawa 4-chome, Shinagawa-ku, Tokyo	
(C)	Title and name of representative	Kyota Kishimoto, Representative Director and President	
(D)	Business outline	Sales of plastics materials, plastics products, plastics-related machines and plastics sheets, manufacturing and sales of plastics filters, and other businesses	
(E)	Capital stock (as of September 30, 2020)	793,050 thousand yen	
(F)	Date of establishment	March 13, 1951	
(G)	Major shareholders and ownership ratios (as of September 30, 2020)	Sojitz Pla-Net Corporation	46.56%
		Asahi Kasei Corp.	4.68%
		BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINSIC OPPORTUNITIES FUND (Standing Proxy: MUFG Bank, Ltd.)	3.51%
		ASAHI YUKIZAI CORPORATION	2.57%
		Hikari Tsushin, Inc.	2.37%
		TEIJIN LIMITED	2.28%

	JNC CORPORATION	1.75%
	Seiji Yamane	1.26%
	MEIWA INDUSTRY CO., LTD.	1.20%
	Sun A. Kaken Co., Ltd.	1.17%
	Toyo Ink SC Holdings Co., Ltd.	1.17%

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

Capital relationship	The Tender Offeror holds 3,980,000 shares of the Target Company Shares (ownership ratio: 46.56%).
Personnel relationship	Four (4) of the directors of the Target Company are formerly from Sojitz, the wholly-owning parent company of the Tender Offeror, and two (2) of them hold a position as the director or the executive officer of the Tender Offeror.
Business relationship	The Target Company sells plastics products, etc. to the Tender Offeror (the Target Company's sales regarding such transactions for the fiscal year ended March 31, 2020 was 84 million yen). The Target Company purchases plastics products, etc. from the Tender Offeror (the Target Company's cost of such purchases regarding such transactions for the fiscal year ended March 31, 2020 was 2,835 million yen).
Status as related party	The Target Company is a consolidated subsidiary and thus a related party of the Tender Offeror.

(Note) Information in "Major shareholders and ownership ratios (as of September 30, 2020)" is based on "Status of Major Shareholders" of the Target Company's Second Quarterly Report.

(2) Schedule

(A) Schedule

Resolution by board of directors	November 26, 2020 (Thursday)
Date of public notice of commencement of tender offer	November 27, 2020 (Friday)
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	November 27, 2020 (Friday)

(B) Initially registered offering period
From Friday, November 27, 2020, through Thursday, January 14, 2021 (30 business days)

(C) The possibility of extension of tender offer period upon request of the Target Company
N/A

(3) Price of tender offer

770 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 Offeror requested MUMSS, a financial advisor of Sojitz, the wholly-owning parent company of the Tender Offeror, and a third party valuation institution that is independent from Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei to evaluate the share value of the Target Company Shares. MUMSS is not a related party to Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei, 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 share value of the Target Company Shares using each method of (i) market price analysis,(ii) comparable company analysis, and (iii) discounted cash flow analysis(the "DCF Analysis"), and the Tender Offeror obtained, through Sojitz, the share valuation report from MUMSS on November 25, 2020 (the "Share Valuation Report"). Sojitz and the Tender Offeror 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:	555 yen to 571 yen
Comparable company analysis:	496 yen to 742 yen
DCF Analysis:	700 yen to 827 yen

The market price analysis, with the reference date of November 25, 2020, resulted in the value per share of the Target Company Shares ranging from 555 yen to 571 yen, based on the following prices of the Target Company Shares on JASDAQ: the closing price on the reference date (555 yen); the simple average closing price for the last one-month period (from October 26, 2020 to November 25, 2020) (556 yen (rounded to the nearest whole yen; hereinafter the same applies to simple average closing prices)); the simple average closing price for the last three-month period (from August 26, 2020 to November 25, 2020) (569 yen); and the simple average closing price for the last six-month period (from May 26, 2020 to November 25, 2020) (571 yen).

For the comparable company analysis, the share value of the Target Company Shares was evaluated by comparing the market prices of the shares and financial indicators showing profit, etc., of some listed companies engaged in businesses relatively similar to those conducted by the Target Company. This analysis resulted in the value per share of the Target Company Shares ranging from 496 yen to 742 yen.

For the DCF Analysis, the share value of the Target Company was evaluated by discounting the amount of free cash flow that the Target Company is expected to generate in the future to the present value at a certain discount rate, based on future earnings forecasts of the Target Company, from the fourth quarter of the fiscal year ending March 2021, taking into consideration various factors, such as the business plan of the Target Company covering the fiscal years from the fiscal year ending March 2021 through the fiscal year ending March 2024, the latest business performance, and publicly available information. This analysis resulted in the value per share of the Target Company Shares ranging from 700 yen to 827 yen. Furthermore, the figures included in the business plan of the Target Company are the planned figures, which reflect the Target Company's forecasts of management policy of the Target Company and its future business environment, and the business plan of the Target Company does not take into account the expected synergies to be realized through the Transaction, because it is difficult to make specific numerical estimations of such expected synergies at this point.

In determining the Tender Offer Price, the Tender Offeror comprehensively took into account several factors, by referencing the valuation results of the analysis methods stated in the Share Valuation Report received from MUMSS through Sojitz, including the results of the due diligence performed by the Tender Offeror on the Target Company from the middle of October 2020 to the middle of November 2020, the possibility of the Target Company's board of directors supporting the Tender Offer, the trend of the market price of the Target Company Shares, the premiums added to the tender offer prices in certain precedent tender offers conducted by parent companies for the purpose of making their listed subsidiaries wholly owned subsidiaries, and 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 Offeor ultimately set the Tender Offer Price at 770 yen through a resolution at its board of directors' meeting held on November 26, 2020.

The Tender Offer Price of 770 yen per share represents (a) a premium of 38.74% on 555 yen, which is the closing price of the Target Company Shares on JASDAQ on November 25, 2020, the business day immediately preceding the date of announcement by the Tender Offeror regarding the Tender Offer; (b) a premium of 38.49% on 556 yen, which is the simple average closing price for the last one-month period (from October 26, 2020 to November 25, 2020); (c) a premium of 35.33% on 569 yen, which is the simple average closing price for the last three-month period (from August 26, 2020 to November 25, 2020); and (d) a premium of 34.85% on 571 yen, which is the simple average closing price for the last six-month period (from May 26, 2020 to November 25, 2020).

(Note) In evaluating the value of the Target Company Shares, in principle, MUMSS adopted, without any change, the information provided from the Tender Offeror, Sojitz and the Target Company, publicly available information, and other relevant materials, and, assuming that all of such information and materials are accurate and complete, has not independently verified the accuracy or 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 has not independently evaluated or assessed these assets or liabilities, or ordered any appraisal or assessment from a third party institution. In addition, MUMSS assumes that the information related to the financial forecasts of the Target Company has been reasonably prepared by the Target Company, Sojitz and the Tender Offeror, based on best forecasts and judgments available to them as of November 25, 2020. The evaluation by MUMSS reflects the afore-mentioned information up to November 25, 2020.

(B) Process of calculation

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

Sojitz, the wholly-owning parent company of the Tender Offeror appointed MUMSS, in early August 2020, as its financial advisor and third party valuation institution independent from the Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei, and made the initial proposal to the Target Company regarding the Transaction in late August and, subsequently, appointed Nagashima Ohno & Tsunematsu, in early September 2020, as its legal advisor. Thereafter, on September 11, 2020, Sojitz and the Tender Offeror submitted a proposal to the Target Company and conveyed to the Target Company its intention to commence full-scale consideration of the Transaction, and provided with the Target Company an initial explanation as to the background leading to the proposal of the Transaction and meanings/purposes of the Transaction and thereafter, began detailed discussions and negotiations with the Target Company regarding the Transaction.

Thereafter, Sojitz and the Tender Offeror conducted due diligence from the middle of October 2020 to the middle of November 2020, to review the feasibility of the Transaction. Concurrently, Sojitz and the Tender Offeror continued discussions and negotiations with the Target Company regarding various terms and conditions of the Transaction, including the Tender Offer. As such discussions and negotiations advanced, in the middle of November 2020, Sojitz and the Tender Offeror reached a conclusion that making the Target Company a wholly-owned subsidiary of the Tender Offeror is the best option, because, by doing so, both companies can expect to enjoy a synergy effect, which will contribute to enhanced corporate value for both companies.

Regarding the Tender Offer Price, the Tender Offeror held discussions and negotiations with the Target Company multiple times, after November 6, 2020. Specifically, on November 6, 2020, the Tender Offeror made a proposal to set the Tender Offer Price at 740 yen, as the Initial Proposal Price. In response thereto, the Target Company requested a reconsideration. Accordingly, on November 11, 2020, the Tender Offeror again explained to the Target Company the reasonableness of the Initial Proposal Price. Subsequently, the Target Company again requested a reconsideration, on the grounds that it would be difficult to say that the Initial Proposal Price represented a sufficient premium, and, on November 18, 2020, the Tender Offeror made a proposal to set the Tender Offer Price at 760 yen. In response thereto, the Target Company requested a reconsideration to set the Tender Offer Price at 770 yen. As a result thereof, on November 24 2020, the Tender Offeror replied that it would accept the Tender Offer Price of 770 yen, and reached the agreement with the Target Company; therefore, the Tender Offeror determined the Tender Offer Price through the following process and resolved at its board of directors meeting held on November 26, 2020 to conduct the Tender Offer as part of the Transaction.

(i) Name of the third party from whom the Tender Offeror received advice upon calculation

In order to ensure the fairness of the Tender Offer Price, when determining the Tender Offer Price, the Tender Offeror requested, through Sojitz, MUMSS, which is also the financial advisor of Sojitz, to evaluate the share value of the Target Company Shares as a third party valuation institution that is independent from the Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei. The Tender Offeror obtained the Share Valuation Report concerning the results of the evaluation of the Target Company Shares on November 25, 2020. (Sojitz and the Tender Offeror 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 share value of the Target Company by using the methods of market price analysis, comparable company analysis, and DCF Analysis. The methods used for the evaluation and the share value ranges per share of the Target Company Shares calculated by MUMSS, based on each of the analyses above, are as follows:

Market price analysis:	From 555 yen to 571 yen
Comparable company analysis:	From 496 yen to 742 yen
DCF Analysis:	From 700 yen to 827 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 Offeror comprehensively took into account several factors, by referencing the valuation results of the analysis methods stated in the Share Valuation Report received from MUMSS through Sojitz, including the results of the due diligence performed by the Tender Offeror on the Target Company, the possibility of the Target Company’s board of directors supporting the Tender Offer, the trend of the market price of the Target Company Shares, the premiums added to the tender offer prices in certain precedent tender offers conducted by parent companies for the purpose of making their listed subsidiaries wholly owned subsidiaries, and the outlook for tendering of the shares in the Tender Offer, and based on the results of the discussions and negotiations with the Target Company, the Tender Offeror ultimately set the Tender Offer Price at 770 yen through a resolution at the board of directors’ meeting held on November 26, 2020.

(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)

Taking into account that, as of today, the Target Company is a consolidated subsidiary of the Tender Offeror, and the Transaction falls under the category of a material transaction, etc. with a controlling shareholder, and also a transaction where issues with respect to structural conflicts of interest and information asymmetries between a tender offeror and minority shareholders typically exist, the Tender Offeror 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.

Given that the Tender Offeror holds 3,980,000 shares of the Target Company Shares (ownership ratio: 46.56%) as of today as stated in "(1) Overview of Tender Offer" of "1. Purposes of Tender Offer" above, the Tender Offeror thinks that, if the Tender Offeror sets 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 Offeror has not set the minimum number of shares to be purchased that falls under the so-called "majority of minority". However, as the Tender Offeror and the Target Company have implemented the measures set out in (i) through (vi) below, the Tender Offeror believes that the interests of the Target Company's minority shareholders have been sufficiently considered. In addition, the Special Committee determines in the Special Committee Report, and the Target Company also determines, that it cannot be evaluated that the appropriate measures to secure fairness have not been taken based on only the fact that a majority of minority condition does not exist, given that the Target Company takes other measures to secure fairness sufficiently.

(i) Obtaining a share valuation report from an independent third party valuation institution by the Tender Offeror

The Tender Offeror obtained, through Sojitz, the Share Valuation Report concerning the result of the share valuation of the Target Company from MUMSS on November 25, 2020. For details please refer to "(A) Basis of calculation" above.

(ii) Establishment of the Special Committee independent from the Target Company and obtaining the Special Committee Report by the Target Company

a. Process of establishment of the Special Committee, etc.

According to the Target Company Press Release, in light of the fact that the Tender Offeror is the controlling shareholder (parent company) of the Target Company, prior to the Target Company's deliberating and resolving on the appropriateness of the Transaction, the Target Company established, on October 6, 2020, the Special Committee consisting of three members: Mr. Toku Murata, an external statutory auditor of the Target Company, as well as Mr. Takashi Kokubo (attorney, Kokubo Law Office) and Mr. Naoki Takahashi (certified public accountant, the Representative Director of Delta Space Co., Ltd.), the external experts, for the purpose of giving due consideration to the decision-making regarding the Transaction by the board of directors of the Target Company, and eliminating the possibility of the arbitrariness and conflict of interest in the course of the decision-making by the board of directors of the Target Company, with the aim of ensuring the fairness of the Transaction (Mr. Takashi Kokubo and Mr. Naoki Takahashi, the external experts, are independent from the Sojitz Group, including the Target Company and the Tender Offeror, and Asahi Kasei, and regarding whether or not the Transaction is closed, have no material interest which differs from the interests of the general shareholders). The Target Company selected such three persons as the members of the Special Committee at the time of the establishment of the Special Committee, and there has been no change in the members of the Special Committee. In addition, the fee for the members of the Special Committee will be paid only in a fixed amount regardless of the details of the Special Committee's Report, and no contingent fee subject to the closing of the Transaction, etc. has been not adopted.

Furthermore, the Target Company requested that the Special Committee examine whether the decision-making by the board of directors of the Target Company concerning the implementation of the Transaction (including the expression of an opinion on the Tender Offer) is disadvantageous to the minority shareholders of the Target Company. With respect to the examination of the matters described above, the

Special Committee was requested to take into account (i) matters concerning the reasonableness of the purpose of the Transaction (including whether the Transaction would contribute to the enhancement of the corporate value of the Target Company), (ii) matters concerning the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the method of implementation and the type of consideration in respect of the Transaction), (iii) matters concerning the fairness of the procedures for the Transaction (including consideration of which measures to secure fairness should be taken and to what extent), and (iv) matters other than the matters mentioned in the preceding (i) through (iii) (collectively, the "Consulted Matters"). With respect to the decision-making by the board of directors of the Target Company concerning the Transaction, the board of directors of the Target Company has also resolved that the board of directors of the Target Company must pay utmost respect to the opinion of the Special Committee, and if the Special Committee determines that the Transaction is inappropriate, the board of directors of the Target Company must not make decision to conduct the Transaction. Furthermore, the board of directors of the Target Company has resolved to grant the Special Committee (i) the authority to conduct, at the Target Company's cost, investigations in relation to the Transaction, (ii) the authority to request the Target Company (a) to convey to the Tender Offeror and Sojitz proposals and other opinions of, or questions from, the Special Committee and (b) to arrange for an opportunity for the Special Committee to discuss and negotiate with the Tender Offeror and Sojitz (it should be noted that even if the Special Committee does not request the arrangement of the opportunity stated in (b), with respect to the policy on the discussions and negotiations with the Tender Offeror and Sojitz, the Special Committee may express its opinion to the Target Company, and issue necessary instructions and requests to the Target Company), (iii) the authority to retain, at the Target Company's cost, its own attorney, valuation institution, certified public accountant and other advisors, and (iv) the authority to appoint advisors of the Target Company regarding the Transaction and to request the change of such advisors, as well as to issue necessary instructions to the advisors of the Target Company.

b. Process of review

According to the Target Company Press Release, the Special Committee held [six (6)] meetings in total during the period from October 15, 2020 to November [25], 2020, and discussed and reviewed the Consulted Matters. Specifically, at the initial meeting held on October 15, 2020, the Special Committee (i) approved TMI Associates and YAMADA Consulting as the legal advisor and financial advisor, respectively, of the Target Company, since it was confirmed that TMI Associates and YAMADA Consulting were not related parties to the Sojitz Group, including the Target Company and the Tender Offeror, and Asahi Kasei, and had no material interest in the Transaction, and (ii) confirmed that the Special Committee may also obtain their expert advice as necessary. In addition, the Special Committee confirmed that there were no problems with respect to the Target Company's system to examine the Transaction from the perspective of its independence from the Sojitz Group, excluding the Target Company's group, and Asahi Kasei, and the Transaction, and approved such review system.

Thereafter, the Special Committee (i) reviewed the materials and documents provided from the Target Company and the Tender Offeror, (ii) conducted interviews with the Tender Offeror and Sojitz in relation to matters relating to the purpose and background of the Transaction, the terms and conditions of the Transaction and the management policy of the Target Company following the Transaction, (iii) conducted interviews with officers of the Target Company in relation to matters relating to the details of business of the Target Company, the external environment surrounding the Target Company, the current management issues of the Target Company, the details of the business plan of the Target Company, which YAMADA Consulting used as a basis for the evaluation of shares, and the details of proposal by the Tender Offeror, and (iv) conducted interviews with YAMADA Consulting in relation to matters relating the analysis of the value of the Target Company Shares.

Furthermore, the Special Committee was involved in substance in the process of negotiations with the Tender Offeror by (i) holding meetings of the Special Committee and discussing the policy, etc. on discussions and negotiations after receiving timely reports from the Target Company in respect of the particulars, details, etc. of discussions and negotiations between the Tender Offeror and the Target Company regarding the Transaction, (ii) hoding discussions with the Target Company multiple times until the Tender Offeror made a final proposal to set the Tender Offer Price at 770 yen, and (iii) stating its opinions.

c. Matters determined

According to the Target Company Press Release, as a result of careful discussion and review of the Consulted Matters as mentioned above, the Special Committee submitted the Special Committee Report summarized as follows to the board of directors of the Target Company on November 25, 2020, upon the unanimous approval of the members.

i. Matters concerning the reasonableness of the purpose of the Transaction

The Special Committee questioned the Target Company and the Tender Offeror regarding the purpose of the Transaction and the specific content of the corporate value of the Target Company that is expected to be enhanced by the Transaction. The contents thereof are summarized as follows.

The Tender Offeror began to examine whether it is rational to keep the Target Company as a listed subsidiary, based on the “Practical Guidelines for Group Governance Systems” issued by the Ministry of Economy, Trade and Industry of Japan on June 28, 2019. As a result, the Tender Offeror concluded that conducting integrated business operations, rather than the Tender Offeror and the Target Company conducting their own business operations respectively, would lead to further sustainable growth and make it easier to pursue synergies for the Sojitz Group, including the Target Company, and would be the best choice from the perspective of enhancing the corporate value of both companies. Specifically, the Tender Offeror believes that after the execution of the Transaction, the following synergetic effects can be expected.

(a) Utilization of foreign plastics manufacturers having business relationships with Tender Offeror in Target Company’s business
(b) Transfer of certain commercial rights held by Tender Offeror to Target Company
(c) Utilization of Sojitz Group's global network
(d) Strengthen initiatives for environmentally conscious plastics
(e) Utilization of Sojitz Group finance
(f) Cost reductions through efficient use of management resources

The Target Company also believes that, if the Target Company conducts each of the measures above, upon discussing with the Tender Offeror in good faith after the Transaction, and is able to realize the following synergetic effects, those synergetic effects would contribute to enhancing the corporate value the Target Company. Moreover, the Target Company believes that, if it remains a listed company and a non-wholly-owned subsidiary of the Tender Offeror, it would be difficult to implement each of the above measures, or it would be difficult to implement them promptly and flexibly as it is necessary to consider the interests of the Target Company’s minority shareholders. Therefore, the Target Company came to believe that it is reasonable for the Target Company to become a wholly-owned subsidiary of the Tender Offeror through the Transaction in order to implement each of the above measures.

Through the questions to the Target Company and the Tender Offeror, the Special Committee conducted a detailed examination with respect to (a) the specific contents of the matters above, (b) the existence and extent of adverse effects which the implementation of the Transaction and the introduction of the governance system of the Sojitz Group would give on the Target Company’s business, and (c) the possibility of enhancing the corporate value of the Target

Company based on these matters. As a result, the Special Committee came to believe that there is no unreasonable point in the Target Company's determination that (a) if the Target Company conducts each of the above measures that the Tender Offeror aims to conduct, upon discussing with the Tender Offeror in good faith after the Transaction, and is able to appropriately realize the synergetic effects, those synergetic effects would contribute to enhancing the corporate value the Target Company, and that (b) it is reasonable for the Target Company to become a wholly-owned subsidiary of the Tender Offeror through the Transaction in order to implement each of the above measures.

After careful discussions and considerations by taking into account the above-mentioned matters, the Special Committee reached a conclusion that the purpose of the Transaction is reasonable.

ii. Matters concerning the appropriateness of the terms and conditions of the Transaction

(a) Share Valuation Report by YAMADA Consulting

The Tender Offer Price is the amount [above the upper limit] of the result of the calculation under the market price analysis, and is above the median value of the range of the result of the calculation under the DCF Method, among the calculation results of the share valuation of the Target Company Shares by YAMADA Consulting. The Special Committee received a detailed explanation from YAMADA Consulting on the calculation methods used for analyzing the share value, and examined such calculation method, etc., after conducting a question-and-answer session to YAMADA Consulting and the Target Company regarding the selection of valuation method, the Target Company's business plan which would be a basis of the calculation by the DCF Method, basis for a discount rate, and treatment of non-operating assets such as excess cash reserves and securities. As a result, there was no unreasonable point in light of general valuation practices.

It is confirmed that the Tender Offer Price represents an amount with (a) a premium of 38.74% on 555 yen, which is the closing price of the Target Company Shares on JASDAQ on November 25, 2020; (b) a premium of 38.49% on 556 yen, which is the simple average closing price for the last one-month period; (c) a premium of 35.33% on 569 yen, which is the simple average closing price for the last three-month period; and (d) a premium of 34.85% on 571 yen, which is the simple average closing price for the last six-month period, and the level of premium is equivalent to that of the similar cases of other companies.

(b) Fairness of procedures in process of negotiations

As described in "iii. Matters concerning fairness of procedures for the Transaction", the procedures in the process of negotiations in relation to the Transaction, including the Tender Offer, is considered to be fair, and it is deemed that the Tender Offer Price has been determined based on the result of such negotiations.

(c) Reasonableness of procedures after Tender Offer

A certain amount of cash will be eventually delivered to each of the minority shareholders who do not tender their shares in the Tender Offer, through a series of procedures scheduled to be conducted after the Tender Offer to make the Tender Offeror the sole shareholder of the Target Company, and it is considered to be expressly stated in the press release etc. that the amount of cash to be delivered through such procedures will be calculated such that the relevant amount will be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each of such shareholders.

(d) Type of consideration
The consideration for the Transaction will be money, and the type of consideration is deemed appropriate, given that the Tender Offeror is a private company and that it would take a considerable amount of time to complete the transaction through the share exchange, under which the shares of Sojitz, which is a listed company, shall be the consideration therefor.

(e) Conclusion
After careful discussions and considerations by taking into account the above-mentioned matters, the Special Committee reached a conclusion that the terms and conditions of the Transaction are appropriate.

iii. Matters concerning fairness of procedures for the Transaction

(a) Consideration by the Target Company
Taking into account that the Target Company is a consolidated subsidiary of the Tender Offeror and the Transaction falls under the category of a material transaction, etc. with a controlling shareholder, and also a transaction where issues with respect to structural conflicts of interest and information asymmetries between the Tender Offeror and the Target Company's minority shareholders typically exist, the Tender Offeror (i) have obtained, when considering the Transaction, advice, opinion, etc. from YAMADA Consulting, a third party valuation institution and financial advisor and TMI Associates, a legal advisor, which are independent from the Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei, from the perspective of ensuring fairness of the Tender Offer Price, eliminating any arbitrariness in the decision-making process leading up to the determination to implement the Tender Offer, and avoiding conflicts of interest, and (ii) have carefully considered and discussed matters concerning the reasonableness of the conditions of the Tender Offer including the Tender Offer Price and the fairness of a series of the procedures for the Transaction, from the perspective of the enhancement of the corporate value of the Target Company, and ultimately the common interests of the shareholders.

The Special Committee confirmed that there were no problems with respect to the independence and expertise of YAMADA Consulting and TMI Associates, and approved them as the third party valuation institution and legal advisor, respectively, of the Target Company. In addition, the Special Committee confirmed that the Special Committee may also obtain expert advice from YAMADA Consulting and TMI Associates as necessary, and has actually obtained advice, opinion, etc. from them.

(b) Discussions and negotiations by the Target Company
The Target Company held substantial discussions and negotiations with the Tender Offeror multiple times in order to ensure fairness of the Tender Offer Price from the perspective of protecting the interests of the Target Company's minority shareholders, based on the negotiation policy approved by the Special Committee in advance. Specifically, the Target Company conducted, through YAMADA Consulting, price negotiations three (3) times in total, including the competitive proposal of price approved by the Special Committee, with the Tender Offeror through MUMSS, the financial adviser of Sojitz.

As a result of such negotiations, before the determination of the Tender Offer Price at 770 yen per share, the Target Company got an increase in the Tender Offer Price, which is 30 yen higher than the Initial Proposal Price proposed by the Tender Offeror, i.e., 740 yen per share of the Target Company Shares.

(c) Non-involvement of persons with special interests in process of negotiations and decision-making process regarding the Transaction

The directors who conducted, on behalf of the Target Company, considerations and negotiations regarding the Transaction do not include any persons who have special interests in the Transaction, and other facts, based on which it can be presumed that persons, who have special interests in the Sojitz Group, including the Target Company and the Tender Offeor, and Asahi Kasei, or the Transaction, unreasonably affected the Target Company in the process of discussions, examinations and negotiations regarding the Transaction, cannot be found. Among the directors of the Target Company, Mr. Kyota Kishimoto is formerly from the Tender Offeror, Sojitz and certain affiliated companies of Sojitz, and Mr. Takashi Noda is formerly from Sojitz; however, as a considerable period of time has passed since they were transferred to the Target Company, the Special Committee believes that they were not prohibited from participating, as the directors of the Target Company, in discussions and negotiations with the Tender Offeror, and in deliberations and resolution at the meetings of the board of directors of the Target Company. Similarly, among the statutory auditors of the Target Company, Mr. Toshiyuki Niitsu is formerly from Asahi Kasei; however, as a considerable period of time has passed since he left work at Asahi Kasei, the Special Committee believes that he was not prohibited from participating, as the statutory auditor of the Target Company, in deliberations at the above-mentioned meetings of the board of directors of the Target Company.

(d) Majority of minority condition
Although the Tender Offeror has not set the so-called “majority of minority” condition with respect to the Tender Offer, given that the Special Committee thinks (i) that, if the majority of minority condition is set with respect to the Tender Offer, the completion of the Tender Offer would become uncertain, and therefore, setting such condition may not contribute to the interests of the Target Company’s minority shareholders who desire to tender their shares in the Tender Offer, and that (ii) the appropriate measures to secure fairness of the Tender Offer have been implemented and the interests of the Target Company’s minority shareholders have been sufficiently considered, the Special Committee determines that it cannot be evaluated that the appropriate measures to secure fairness have not been taken based on only the fact that a majority of minority condition does not exist.

(e) Ensuring opportunity for counter offers, etc.
(i) With respect to the Tender Offer, the Tender Offer Period is scheduled to be 30 business days, which is longer than the minimum period for tender offers under laws and regulations (20 business days); and (ii) the Tender Offeror 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, and in this way, the Tender Offeror has 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.

While active market checks have not been conducted for the Transaction, in addition to the viewpoint as to information management, the Tender Offeror, the parent company of the Target Company, has expressed its intention not to sell the Target Company Shares, and even if the active market checks are implemented, they are likely to be ineffective.

(f) Conclusion
After careful discussions and considerations by taking into account the above-mentioned matters, the Special Committee reached a conclusion that the appropriate measures to secure fairness of the Transaction have been taken and fair procedures have been implemented in relation to the Transaction.

iv. Whether the decision by the board of directors of the Target Company concerning the implementation of the Transaction is disadvantageous to the minority shareholders of the Target Company

As a result of carefully considering matters including those mentioned in i. through iii. above, the Special Committee determined that the decision by the board of directors of the Target Company concerning the implementation of the Transaction is not disadvantageous to the minority shareholders of the Target Company. In other words, the Special Committee reached a conclusion that it cannot be said that the resolution by the board of directors of the Target Company, relating to (i) the expression of an opinion in favor of the Tender Offer and recommendation for tendering by the Target Company's shareholders of their shares in the Tender Offer, and (ii) the implementation of a series of procedures to make the Tender Offeror the sole shareholder of the Target Company by way of the Share Consolidation or the Request for the Sale of Shares after the Tender Offer, is disadvantageous to the minority shareholders of the Target Company.

(iii) Obtaining advice from an independent law firm by the Target Company

According to the Target Company Press Release, in order to ensure fairness and appropriateness of the decision-making process of the board of directors of the Target Company, the Target Company appointed TMI Associates as its independent legal advisor and has obtained from the law firm legal advice in relation to the method, process and other important matters regarding the decision-making by the board of directors of the Target Company regarding the Transaction. In addition, TMI Associates is not a related party of the Sojitz Group, including the Target Company and the Tender Offeror, and Asahi Kasei, and has no material interest in the Tender Offer. The amount of the fee to be paid to the TMI Associates will be calculated based solely on time spent, and no contingent fee subject to the closing of the Transaction, etc. has been not adopted.

(iv) Obtaining a share valuation report from an independent third party valuation institution by the Target Company

a. Name of the valuation institution and relationship with the Target Company and the Tender Offeror

According to the Target Company Press Release, in determining its opinion regarding the Tender Offer, in order to ensure fairness in the decision-making process with respect to the tender offer price presented by the Tender Offeror, the Target Company requested YAMADA Consulting, a financial advisor and third party valuation institution independent from the Sojitz Group, including the Tender Offeror and the Target Company, Asahi Kasei, and the Transaction, to evaluate the value of the Target Company Shares, and obtained the share valuation report dated November 25, 2020. YAMADA Consulting is not a related party of the Sojitz Group, including the Tender Offeror and the Target Company, and Asahi Kasei, and has no material interest in the Transaction including the Tender Offer. A substantial portion of the fee to be paid to YAMADA Consulting in relation to the Transaction is a transaction fee subject to the announcement of the Transaction and the completion of the squeeze-out of minority shareholders.

b. Outline of calculation

As a result of the consideration of the calculation methods for the Tender Offer, based on the view that it is appropriate to evaluate the share value of the Target Company Shares from various perspectives, YAMADA Consulting evaluated the share value of the Target Company Shares by using the methods of (i) market price analysis, since the Target Company Shares are listed on JASDAQ and market prices exist, and (ii) DCF Method, under which the share value is evaluated by discounting the amount of free cash flow that is expected to be generated in the future to the present value at a certain discount rate based on future earnings, in order to reflect the condition of future business operations of the Target Company in the valuation. The Target Company has not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from YAMADA Consulting.

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

Market price analysis:	From 555 yen to 571 yen
DCF Method:	From 642 yen to 848 yen

The market price analysis, with the reference date of November 25, 2020, resulted in the value per share of the Target Company Shares ranging from 555 yen to 571 yen, based on the following prices of the Target Company Shares on JASDAQ: the closing price on the reference date (555 yen); the simple average closing price for the last one-month period (from October 26, 2020 to November 25, 2020) (556 yen); the simple average closing price for the last three-month period (from August 26, 2020 to November 25, 2020) (569 yen); and the simple average closing price for the last six-month period (from May 26, 2020 to November 25, 2020) (571 yen).

For the DCF Method, the corporate value and the share value of the Target Company was evaluated by discounting the amount of free cash flow that the Target Company is expected to generate after the third quarter of the fiscal year ending March 2021 to the present value at a certain discount rate, taking into consideration various factors, such as the business plan prepared by the Target Company, which covers the fiscal years from the fiscal year ending March 2021 through the fiscal year ending March 2024, the financial information of the Target Company for the second quarter of the fiscal year ending March 2021, and publicly available information. This analysis resulted in the value per share of the Target Company Shares ranging from 642 yen to 848 yen. The discount rate used for that analysis was from 8.41% to 8.91%. The going-concern value was evaluated by the perpetuity growth method, in which the perpetuity growth rate was set to be from 0.0% to 1.0%.

The following table shows the financial forecasts based on the business plan of the Target Company, which YAMADA Consulting used as a basis for the evaluation using the DCF Method. The business plan of the Target Company which YAMADA Consulting used for the evaluation using the DCF Method includes a fiscal year during which a large increase or decrease in earnings as compared to the earnings of the previous fiscal year is expected. In particular, operating income will decrease due to reasons such as the production adjustments in plants, which are customers of the Target Company, as a result of the spread of COVID-19 in the fiscal year ending March 2021; however, assuming that the spread of COVID-19 will gradually cease, net sales and operating income are expected to increase (recover) in the fiscal year ending March 2022. In addition, the following financial forecasts do not take into account the expected synergies to be realized through the implementation of the Transaction, because it is difficult to make specific numerical estimations of such expected synergies at this point.

(Millions of yen)

	FY ending March 2021 (6 months)	FY ending March 2022	FY ending March 2023	FY ending March 2024
Net sales	29,101	60,003	61,665	63,935
Operating income	417	1,010	1,147	1,262
EBITDA	483	1,130	1,267	1,382
Free cash flow	135	454	572	597

(v) Obtaining approvals from all directors of the Target Company without interests in the Transaction and opinions from all statutory auditors of the Target Company without interests in the Transaction to the effect that they have no objections

According to the Target Company Press Release, the Target Company carefully considered the terms and conditions of the Transaction, including the Tender Offer, by taking into account the share valuation report received from YAMADA Consulting and the legal advice obtained from TMI Associates, and by paying the utmost respect to the details of the Special Committee Report.

As a result, the board of directors of the Target Company has considered that if the Target Company conducts those measures that the Tender Offeror aims to conduct, upon discussing with the Tender Offeror in good faith after the Transaction, and is able to realize the synergetic effects, 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, those synergetic effects would contribute to enhancing the corporate value of the Target Company, and, at the same time, has determined that the Tender Offer Price is a reasonable price at which the benefit to be enjoyed by the general shareholders of the Target Company is secured, and that the Tender Offer provides a reasonable opportunity to sell the Target Company Shares, and upon unanimous approval of the directors of the Target Company who participated in the deliberations and resolution (four(4) directors excluding the following directors: Mr. Tomoyuki Fujisawa, Mr. Osamu Iwai and Mr. Yoshinori Suzuki), resolved, at its meeting held on November 26, 2020, to express an opinion in favor of the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer. All of the three statutory auditors of the Target Company attended the meeting of the board of directors mentioned above, and all such statutory auditors expressed their opinion that they had no objection to passing the above-mentioned resolution.

According to the Target Company Press Release, among the Target Company’s directors, since Mr. Tomoyuki Fujisawa is also an employee of Asahi Kasei, which is the second largest shareholder of the Target Company and has entered into the Tender Offer Agreement with the Tender Offeror, and Mr. Osamu Iwai and Mr. Yoshinori Suzuki also serve as director or executive officer of the Tender Offeror, in order to avoid conflicts of interest, they did not participate in any deliberations and resolution at the above-mentioned meeting of the board of directors of the Target Company and any discussions and negotiations held with the Tender Offeror on the side of the Target Company. Among the directors of the Target Company, Mr. Kyota Kishimoto is formerly from the Tender Offeror, Sojitz and certain affiliated companies of Sojitz, Mr. Takashi Noda is formerly from Sojitz, and Mr. Atsushi Tsutsumi is formely from Asahi Kasei. However, even though it has been less than ten (10) years since they were transferred to the Target Company, a considerable period of time has passed after their transfer; therefore, they, as the directors of the Target Company, participated in deliberations and resolution at the above-mentioned meeting of the board of directors of the Target Company. Similarly, among the statutory auditors of the Target Company, Mr. Toshiyuki Niitsu is formerly from Asahi Kasei. However, even though it has been less than ten (10) years since he left work at Asahi Kasei, a considerable period of time has passed after his leaving; therefore, he, as the statutory auditor of the Target Company, participated in deliberations at the above-mentioned meeting of the board of directors of the Target Company.

(vi) Measures to ensure opportunities for tender offers from other tender offerors

While the minimum period for tender offers under laws and regulations is 20 business days, the Tender Offeror has set 30 business days for the Tender Offer Period. By setting a relatively long Tender Offer Period, the Tender Offeror ensures 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 Offeror to conduct counter offers of the Tender Offer Shares, through which means the Tender Offeror intends to ensure the appropriateness of the Tender Offer Price.

Moreover, the Tender Offeror 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 Offeror has 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 Offeror's financial advisor, is not a related party of the Tender Offeror 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
4,568,251 (shares)	1,718,800 (shares)	- (shares)

(Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (1,718,800 shares), the Tender Offeor 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 (1,718,800 shares), the Tender Offeror will purchase all of the Tendered Shares.

(Note 2) Since the maximum number of shares to be purchased has not been set in the Tender Offer, the number of shares to be purchased is stated as 4,568,251 shares, the maximum number of the shares of the Target Company that can be acquired by the Tender Offeror through the Tender Offer. This figure (4,568,251 shares) represents (i) the total number of issued shares of the Target Company (8,550,000 shares) as of September 30, 2020, as stated in the Target Company's Second Quarterly Report, minus (ii) the total sum of the number of treasury shares held by the Target Company (1,749 shares) as of September 30, 2020, as stated in the Target Company's Second Quarter Financial Results and the number of Target Company Shares held by the Tender Offeror (3,980,000 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 laws and regulations.

(Note 4) The Tender Offeror does not intend to acquire the treasury shares held by the Target Company (1,749 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	39,800	(Ownership ratio of shares before tender offer: 46.56%)
Number of voting rights represented by shares held by special related parties before tender offer	215	(Ownership ratio of shares before tender offer: 0.25%)
Number of voting rights represented by shares held by the Tender Offeror after tender offer	85,482	(Ownership ratio of shares after tender offer: 100.00%)
Number of voting rights represented by shares held by special related parties after tender offer	0	(Ownership ratio of shares after tender offer: 0.00%)
Total number of voting rights of all shareholders of the Target Company	85,471	

(Note 1) The "Number of voting rights represented by shares held by the Tender Offeror after tender offer" is the number of voting rights (45,682) with respect to the number of the shares to be purchased in the Tender Offer (4,568,251 shares) plus the "Number of voting rights represented by shares held by the Tender Offeror before tender offer" (39,800).

(Note 2) The "Number of voting rights represented by shares held by special related parties before tender offer" is the total number of the voting rights represented by 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). Since shares held by special related parties (excluding treasury shares held by the Target Company) are also subject to the purchase in the Tender Offer, the "Number of voting rights represented by shares held by special related parties after tender offer" is stated as 0. In addition, after confirming the shares of the Target Company held by special related parties, if amendment is required, the Tender Offeror will immediately disclose the amendment.

(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, 2020 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 (85,482) represented by 8,548,251 shares is used as a denominator. This number of shares (8,548,251 shares) represents: the total number of issued shares (8,550,000 shares) as of September 30, 2020, as stated in the Target Company's Second Quarterly Report, minus (ii) the number of treasury shares held by the Target Company (1,749 shares) as of September 30, 2020, as stated in the Target Company's Second Quarter Financial Results.

(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: 3,517,553,270 yen

Note: The amount obtained by multiplying the number of shares to be purchased through the Tender Offer (4,568,251 shares) by the Tender Offer Price (770 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. 5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

(Location of head office of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will be 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo as of December 21, 2020.)

au Kabucom Securities Co., Ltd. (subagent) 3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

(B) Commencement date of settlement

January 21, 2021 (Thursday)

(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 (1,718,800 shares), the Tender Offeor 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 (1,718,800 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)9 and Items (1)12 through (1)18, Items (3)1 through (3)8 and (3)10, as well as Article 14, Paragraph 2, Items (3) through (6) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; 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.

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 designated 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. 5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(Location Address of head office of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will be 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo as of December 21, 2020.)
(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.

(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 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.

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
November 27, 2020 (Friday)

(11) Tender offer agent
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. 5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo
(Location of head office of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will be 9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo as of December 21, 2020.)
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.
Sojitz's business results forecast for the fiscal year ending March 2021 is unchanged in connection with the Tender Offer.

4. Others
(1) Agreements between the Tender Offeror and the Target Company or its officers, and contents thereof
(A) Agreements between the Tender Offeror and the Target Company, and contents thereof
(a) Support for the Tender Offer
According to the Target Company Press Release, the Target Company resolved at its board of directors meeting held on November 26, 2020, to express an opinion in favor of the Tender Offer and to recommend that the Target Company's shareholders tender their shares held by them in the Tender Offer.
For details of the decision-making above, please refer to "(v) Obtaining approvals from all directors of the Target Company without interests in the Transaction and opinions from all statutory auditors of the Target Company without interests in the Transaction 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.

(b) Background, purpose and decision-making process leading to the decision to conduct the

Tender Offer and management policy following the Tender Offer
Please refer to "(2) Background, purpose and decision-making process leading to the decision to conduct the Tender Offer and management policy following the Tender Offer" of "1. Purposes of Tender Offer" above.

(c) 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
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" above.

(B) Agreements between the Tender Offeror and officers of the Target Company, and contents thereof
N/A

(2) Other information considered necessary for investors to decide whether to tender their shares in tender offer
The Target Company resolved, at a meeting of its board of directors held on November 26, 2020, not to make a year-end dividend for the fiscal year ending March 2021, on condition that the Tender Offer is completed. For details, please refer to the press release titled "Notice Regarding Year-End Dividend Forecast for Fiscal Year ending March 2021 (the 92nd Fiscal Year) (Non-Payment)", dated November 26, 2020, which is prepared only in Japanese and published by the Target Company.

End

Soliciting 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 and Sojitz Group after the acquisition by the Tender Offeror of the Target Company Shares. These statements are based on the Tender Offeror's assumptions and beliefs in light of the economic, financial and other data currently available. The Tender Offeror therefore wishes to caution readers that actual results might differ materially from our 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.