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February 4, 2022

To Whom It May Concern:

Company Name: GOO CHEMICAL CO., LTD.  
Name of Representative: Haruki Fujimura, President and  
Representative Director  
(Code: 4962, TSE Second Section)  
Inquiries to: Naotake Amako, Corporate Officer and  
General Manager of General Affairs  
Department, Administration  
Headquarters  
(TEL.0774-46-7777)

**ANNOUNCEMENT ON MBO TO BE CONDUCTED AND  
RECOMMENDATION TO TENDER SHARES**

GOO CHEMICAL CO., LTD. (the “Company”) hereby announces that the Company resolved at its board meeting held on the date hereof to express an opinion in favor of the tender offer (the “Tender Offer”) for common stocks in the Company (the “Company’s Share(s)”) to be conducted by GC Holdings Co., Ltd. (the “Offeror”) as part of so-called Management Buyout (MBO) (*Note*) as follows, and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

The board of directors adopted the above resolution on the premises that the Company’s Shares will be subject to delisting upon the Tender Offer and a subsequent series of procedures conducted by the Offeror.

(*Note*) The “Management Buyout (MBO)” means a transaction in which the Offeror conducts a tender offer based on an agreement with the Company’s officers and has interests in common with the Company’s officers.

Particulars

1. Outline of the Offeror

(1)	Name	GC Holdings Co., Ltd.
(2)	Location	6-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3)	Title and Name of Representative	Representative Director, Wataru Kojima
(4)	Business Description	To acquire and hold share certificates, etc. issued by the Company

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(5)	Stated Capital	25,000 yen
(6)	Establishment Date	January 14, 2022
(7)	Major Shareholders and Shareholding Ratio	MCP5 Investment Business Limited Liability Partnership, 100.00%
(8)	Relationship between the Company and the Offeror	
	Capital Relationship	Not Applicable
	Personnel Relationship	Not Applicable
	Business Relationship	Not Applicable
	Status as a Related Party	Not Applicable

## 2. Tender Offer Price

1,730 yen per common stock

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

### (1) Details of the opinion

Based on the grounds and reasons described in “(2) Grounds and reasons of the opinion” stated below, the Company’s board meeting which was held on the date hereof adopted a resolution expressing an opinion in favor of the Tender Offer and recommending that the Company’s shareholders tender their shares in the Tender Offer.

The above board resolution was adopted in the manner described in “(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, (iv) Unanimous approval by all of the Company’s disinterested directors (including Audit and Supervisory Committee Members)” stated below.

### (2) Grounds and reasons of the opinion

The description about the Offeror stated in this “(2) Grounds and reasons of the opinion” is based on explanations given by the Offeror.

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

The Offeror is a stock company incorporated on January 14, 2022 for the primary purpose of holding the Company’s Shares and to control and manage the Company’s business activities. As of today, all of the Offeror’s issued shares are directly held by MCP5 Investment Business Limited Liability Partnership, a fund in which MCP Capital Co. Ltd. (hereinafter referred to as “MCP” collectively with MCP Partners Co., Ltd. that holds all of the issued shares of MCP Capital Co., Ltd.) invests in and provides services to concerning relevant operations. As of today, MCP, MCP5 Investment Business Limited Liability Partnership, and the Offeror do not own any of the Company’s Shares.

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MCP, since the incorporation of MCP Partners Co., Ltd. on February 22, 2000, has been providing services of private equity investment and related operations. Over the recent 21 years, MCP has, through the funds to which it provides services to, made a total of 34 investments such as in JAPAN PURE CHEMICAL CO., LTD., JCU Corporation (formerly EBARA UDYLITE CO., LTD.), SDS Biotech K.K., OAT Agrio Co., Ltd., NOMURA CORPORATION, TDM, Co. Ltd., New-Quick CO. LTD., NISSEI Limited, TAKASAKIJIMUKI Corporation, KOMINE CO., LTD., and JAPAN HOME SHIELD CORPORATION. MCP has a goal to achieve growth of small to medium-sized companies by not only providing financing solution but by providing management advisory support and aims to enhance corporate value together with the invested companies.

The Offeror has decided to conduct this Tender Offer to acquire all of the Company's Shares listed on the second section ("TSE Second Section") of Tokyo Stock Exchange, Inc. ("TSE") (excluding the treasury shares held by the Company and the Company's Shares held by GOO Sangyo Co., Ltd. ("GOO Sangyo") (Number of shares held: 1,210,000 shares, Shareholding Ratio (*Note 1*): 19.23%) (the "GOO Sangyo's Non-Tendering Shares"), a company which all of its issued shares (excluding treasury shares) are held by Mr. Haruki Fujimura ("Mr. Fujimura"), President and Representative Director of the Company, and which manages the assets of the Target, and is the largest shareholder of the Company) as part of the series of transactions to take the Company's Shares private (the "Transaction").

(*Note 1*) "Shareholding Ratio" refers to the ratio (rounded to the second decimal place) against 6,292,118 shares, i.e., the total number of issued shares (6,992,000 shares) as of December 31, 2021 indicated in the Company's Financial Summary for the 3rd Quarter of the Fiscal Year Ending in March 2022 (JGAAP) (consolidated) (the "Company's Financial Summary") announced by the Company today less the number of treasury shares (699,882 shares) held by the Company as of December 31, 2021).

The Transaction is conducted as part of the so-called Management Buyout (MBO), which is conducted for the purpose of friendly acquisition of all of the Company's Shares (excluding the treasury shares held by the Company and the GOO Sangyo's Non-Tendering Shares) and is supported by the Company's board of directors. Also, Mr. Fujimura (Number of shares held: 203,100 shares (*Note 2*), Shareholding Ratio: 3.23%) is scheduled to continue to assume management of the Company after the Tender Offer is successfully completed. To cause Mr. Fujimura to share a common goal with the Offeror to enhance the corporate value, the Offeror and Mr. Fujimura executed an investment agreement (the "Reinvestment Agreement") today, pursuant to which on condition that the Squeeze-out Process (to be defined below; hereinafter the same) is

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completed, Mr. Fujimura will invest 20% in the Offeror (the “Reinvestment”) on the date of completion of the Squeeze-out Process. Please see “4. Matters Concerning Material Agreements between the Offeror and the Company’s Shareholders, Directors, etc. regarding the Application for the Tender Offer” for details on the Reinvestment Agreement.

(Note 2) Mr. Fujimura indirectly holds the Company’s Shares equivalent to 733 shares (fractional shares discarded) as his equity ownership through the Company’s officers’ stock ownership association. However, the above number of shares held by Mr. Fujimura (203,100 shares) does not include 733 shares of the Company’s Shares indirectly held by him through the above officers’ stock ownership association.

Upon conducting the Tender Offer, the Offeror and Mr. Fujimura (Number of shares held: 203,100 shares, Shareholding Ratio: 3.23%) executed a tender offer agreement today (the “Tender Offer Agreement”) pursuant to which Mr. Fujimura agreed to tender all of the Company’s Shares that he owns (the “Mr. Fujimura’s Tendering Shares”) in the Tender Offer. Also, the Offeror and GOO Sangyo (Number of shares held: 1,210,000 shares, Shareholding ratio: 19.23%) executed a non-tender agreement (the “Non-tender Agreement”) pursuant to which GOO Sangyo agreed not to tender the GOO Sangyo’s Non-Tendering Shares. Please see “4. Matters Concerning Material Agreements between the Offeror and the Company’s Shareholders, Directors, etc. regarding the Application for the Tender Offer” below for details on the Tender Offer Agreement and Non-tender Agreement.

Further, today, the Offeror and Mr. Fujimura executed a share transfer agreement (the “Share Transfer Agreement”) pursuant to which Mr. Fujimura agreed to transfer to the Offeror all of the issued shares of GOO Sangyo (the “GOO Sangyo Shares”) held by him on the commencement date of the settlement for the Tender Offer (hereinafter referred to as the “Transfer of Shares” including the Offeror’s indirect acquisition of the GOO Sangyo’s Non-Tendering Shares by acquiring ownership of GOO Sangyo through this transfer of shares). In consideration of the fact that GOO Sango, as of the commencement date of the settlement for the Tender Offer, would be an asset management company that would not own any assets other than the GOO Sangyo’s Non-Tendering Shares, cash and deposits, and loan claims, after repeated consultation held with Mr. Fujimura concerning the acquisition price of GOO Sangyo’s Shares and method of acquisition, etc., and after confirming on February 1, 2022 that the contents of the assets to be held by GOO Sangyo other than the GOO Sangyo’s Non-Tendering Shares as of the commencement date of the settlement for the Tender Offer would be as indicated above, the Offeror decided concerning the transfer price of GOO Sangyo’s Shares, that if this price is set to a price obtained by deducting from the (i) amount obtained by multiplying the GOO Sangyo’s Non-Tendering Shares by the purchase

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price, etc. in the Tender Offer (the “Tender Offer Price”), the (ii) amounts of borrowings by GOO Sangyo as of the commencement date of the settlement for the Tender Offer, and adding thereto the (iii) amounts of cash and deposits, and loan claims of GOO Sangyo as of the commencement date of the settlement for the Tender Offer, then if GOO Sangyo tenders the Company’s Shares in the Tender Offer, GOO Sangyo would receive an economic value equivalent to the economic value to be received by Mr. Fujimura, then there would be no breach of the tender offer best-price rule of Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) and Article 8, Paragraph 3 of the Enforcement Order of the Financial Instruments and Exchange Act (Government Ordinance No. 321 of 1965, as amended) (*Note 3*). Please see “4. Matters Concerning Material Agreements between the Offeror and the Company’s Shareholders, Directors, etc. regarding the Application for the Tender Offer ” below for details on the Share Transfer Agreement.

(*Note 3*) For the ultimate purpose of adjusting the transfer price of GOO Sangyo’s Shares, the purpose of above (i) is to aim to evaluate the price of the GOO Sangyo’s Non-Tendering Shares held by GOO Sangyo to be the same as the Tender Offer Price, and the purpose of above (ii) and (iii) is to aim to evaluate the respective amounts of debts and claims for money assumed or held by GOO Sangyo on the commencement date of the settlement for the Tender Offer which are GOO Sangyo’s assets other than the GOO Sangyo’s Non-Tendering Shares in the same amounts as the total of the amounts of their principal and interest. The Offeror therefore judges that the price for acquisition of the asset management company’s shares is fair. With respect to the debt assumed by GOO Sangyo on the commencement date of the settlement for the Tender Offer, GOO Sangyo has borrowings from Bank of Kyoto, Ltd. After the closing of the Transfer of Shares, GOO Sangyo will repay on this borrowing to Bank of Kyoto, Ltd. during the commencement date of the settlement for the Tender Offer which is the closing date of the Transfer of Shares. Therefore, the Offeror evaluated the debt assumed by GOO Sangyo in the same amount as the total of the amount of principal and interest on this borrowing as of the same date. With respect to claim for money held by GOO Sangyo, Mr. Fujimura is the sole debtor thereof. As Mr. Fujimura is scheduled to receive the funds for settlement for the Tender Offer for Mr. Fujimura’s Tendering Shares, he will be able to repay his debt and the Offeror decided that there are no problems to the debtor’s means as of the commencement date of the settlement for the Tender Offer which is the closing date of the Transfer of Shares. Therefore, the Offeror evaluated the claim for money held by GOO Sangyo in the same amount as the total of the amount of principal and interest on this claim.

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Further, today, MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura executed a master agreement (the “Master Agreement”) to stipulate their rights and obligations relating to the Transaction. Also, today, MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura executed a shareholders agreement (the “Shareholders Agreement”) to stipulate the rights of the Offeror as a shareholder after the Reinvestment and the rights of the Offeror as a shareholder of the Company after the Merger (to be defined below). Please see “4. Matters Concerning Material Agreements between the Offeror and the Company’s Shareholders, Directors, etc. regarding the Application for the Tender Offer ” below for details on the Master Agreement and the Shareholders Agreement.

The Offeror’s purpose is to take the Company’s Shares private through the Tender Offer. Therefore, the Offeror has set a minimum number of shares to be purchased to 2,984,800 shares (Shareholding Ratio: 47.44%). If the total number of the Company’s Shares tendered in the Tender Offer (the “Tendered Shares”) is less than the minimum number of shares to be purchased (2,984,800 shares), the Offeror will not purchase any of the Tendered Shares. This minimum number of shares to be purchased (2,984,800 shares) represents the total number of issued shares of the Company as of December 31, 2021 as stated in the Company’s Financial Summary (6,992,000 shares), deducting therefrom the treasury shares held by the Company as of the same date (699,882 shares) (thereby resulting in 6,292,118 shares), multiplying the number of voting rights (62,921 votes) attributable thereto by two thirds (41,948 votes, fractional votes rounded up), multiplying this by 100, and deducting therefrom the GOO Sangyo’s Non-Tendering Shares (1,210,000 shares). The reason why this minimum number of shares to be purchased was set was because, while the purpose of the Tender Offer is to take the Company’s Shares private, if the procedures for share consolidation set forth in “(4) Policy regarding reorganization, etc., following completion of the Tender Offer (so-called “two-step acquisition”)” below is to be conducted, then this would require special resolution by the shareholders meeting pursuant to Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same), and thus it is necessary to cause the Offeror and GOO Sangyo to hold two thirds or more of the voting rights of all shareholders of the Company after the Tender Offer and the Transfer of Shares to ensure that the Transaction is executed.

Furthermore, the minimum number of shares to be purchased of 2,984,800 shares (Shareholding Ratio: 47.44%) will exceed the number of shares equivalent to a majority of 4,878,285 shares (Shareholding Ratio: 77.53%) (2,439,143 shares, Shareholding Ratio: 38.77%; this is the equivalent of the majority of the number of the Company’s Shares held by the Company’s shareholders who do not have an interest in the Offeror, i.e., so-called “majority of minority”) (the 4,878,285 shares stands for the total number of issued shares of the Company as of December 31, 2021 as stated in the Company’s Financial Summary (6,992,000 shares), less the number of treasury shares held by the

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Company as of the same date (699,882 shares), the Mr. Fujimura's Tendering Shares (Number of shares: 203,100 shares; Shareholding Ratio: 3.23%), GOO Sangyo's Non-Tendering Shares (Number of shares: 1,210,000 shares; Shareholding Ratio: 19.23%) and the number of shares of the Company indirectly held by Mr. Fujimura through the officers' stock ownership association of the Company (Number of shares: 733 shares; Shareholding Ratio: 0.01%). Accordingly, if the Offeror is unable to obtain the approval of the majority of the Company's shareholders other than those who have interest in the Offeror, the Offeror will not conduct the Transaction (including the Tender Offer) respecting the intention of the minority shareholders of the Company.

On the other hand, because the Offeror contemplates to take the Company's Shares private by acquiring all of the Company's Shares (excluding the treasury shares held by the Company and the GOO Sangyo's Non-Tendering Shares), the Offeror has not set a maximum number of shares to be purchased. Therefore, if the total number of Tendered Shares is equal to or more than the minimum number of shares to be purchased (2,984,800 shares), then the Offeror will purchase all of the Tendered Shares.

If the Offeror is unable to acquire all of the Company's Shares (excluding the treasury shares held by the Company and the GOO Sangyo's Non-Tendering Shares) through the Tender Offer, then, as described in "(4) Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition")" below, after the successful completion of the Tender Offer, the Offeror is scheduled to assume a series of procedures to make the Offeror and GOO Sangyo the sole shareholders of the Company and to take the Company's Shares private (the "Squeeze-out Process"). After the completion of the Squeeze-out Process, the Offeror and the Company are scheduled to conduct absorption-type merger where the Company will be the absorbing and surviving company and the Offeror and GOO Sangyo will be the absorbed and dissolving companies, with the Company's Shares as consideration (the "Merger"), and after the Merger, the investment ratio of MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura in the Company will be 80% and 20%, respectively. The specific merger ratio and schedule, etc. for the Merger are undecided as of today.

The Transaction including the Tender Offer will be financed by borrowings from the Bank of Kyoto, Ltd. and MUFG Bank, Ltd. (the "Bank Loans") and investment from MCP5 Investment Business Limited Liability Partnership (the "Investment"). On condition that the Tender Offer is successfully completed, the Offeror is scheduled to receive the Bank Loans by no later than one business day prior to the commencement date of the settlement for the Tender Offer, and the Investment by no later than two business days prior to the commencement date of the settlement for the Tender Offer.

- (ii) Background to, and objectives and decision-making process leading to the decision to implement the Tender Offer and management policy after the Tender Offer

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#### A. Background to the decision to implement the Tender Offer

The Company has manufactured and distributed chemical industrial products for diverse fields and applications, beginning with oiling agents and sizing agents for textiles and also including cosmetics, electronic materials, paper and metals based on the “GOO spirit” of “meeting needs together and growing together” with the aim of “contributing to society through unique technology” since its founding in Fushimi-ku, Kyoto-shi in November 1953 for the purpose to manufacture and distribute chemical-grade, industrial-grade and agricultural-grade chemical products, oil and fat products and processed agricultural products. As of the date hereof, the Company’s group is composed of 5 companies; the Company itself, 2 consolidated subsidiary companies, 1 affiliate company and another associated company (hereinafter collectively referred to as the “Group”) and its primary business is to manufacture and distribute reacting-system products (*Note 4*) and miscible-system products (*Note 5*).

(*Note 4*) The term “reacting-system products” means chemical industrial products for a wide range of use to be manufactured mainly by caldron equipment such as sizing agents and oiling agents for textiles, resin for cosmetics, resin for papermaking and printing and resin for transfer printing.

(*Note 5*) The term “miscible-system products” means products to be manufactured mainly by milling equipment and used for electronic components, etc. such as resist ink for printed-wiring board.

The Company relocated its head office and plant to Uji-shi, Kyoto Prefecture in June 1967 after its start of business in Fushimi-ku, Kyoto-shi, and expanded its business operation through newly-established sales offices in the Hokuriku and Kanto districts and a newly-established plant in Fukui Prefecture and so on. In November 1996, the Company had its shares listed on the Kyoto Stock Exchange in order to mainly improve its social credibility and name recognition. Afterward, as a result of the merger of the Kyoto Stock Exchange with the Osaka Securities Exchange in March 2001, the shares were listed on the Osaka Securities Exchange Second Section, and since July 2013, as a result of the consolidation of the cash equity markets of the Osaka Securities Exchange and the Tokyo Stock Exchange, the shares have been listed on the TSE Second Section. The Company has expanded its business operation through the expansion of its customers based on the improvement of its social credibility and name recognition.

The Company believes that as to the business environment of the industry to which the Group belongs, all the businesses of the Group strongly depend on product technology development capabilities, and in particular, for miscible-system products, due to its characteristic, it is necessary to introduce new products and services to respond to change to technology and customer needs by investment in manufacturing plant and equipment and continuous business operation reform for better productivity and performance. Under such business environment, understanding change to customer needs accurately and conducting marketing of products and services to



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respond to such change to customer needs on a steady basis, the Company has aimed to further streamline the production process while keeping the high quality of products and services. Since April 2020, the Company has proceeded with efforts to enhance its corporate value by shifting to a system to develop characteristic and unique products, distribute products to industries other than those to which the Company has already distributed products and find new markets apace through facilitating sharing technology and information in the Company by changing its business department structure from individual business department system to individual research/sales department system.

On the other hand, Mr. Fujimura, as the Company's President and Representative Director, has been considering the measures to continuously increase the corporate value of the Company. However, in early September 2021, he felt that there was a limit to responding to changes in the management environment, such as product development, intensified competition to acquire human resources, and increased capital investment burden resulting from technological innovation in the chemical products industry to which the Company belongs, only with the Company's management resources, and considered various options such as collaboration with customers, alliances with other companies, and M&As. As a result, he has come to believe that it would be a powerful option not only to strengthen business competitiveness of the Company and aim for further business growth, but also to carry out drastic reforms including a review of the capital structure and to form an alliance with a third party that has an advanced management know-how and human resources network. Under such circumstances, while seeking solutions to the above-mentioned management issues with Nomura Securities Co., Ltd. ("Nomura Securities"), with which Mr. Fujimura had a long history of communication, he asked Nomura Securities to introduce candidates for alliance which could be potential partners for making the Company's Shares to be privately held and implementing Management Buyout (MBO) from the perspective of increasing the corporate value. As a result, in early September 2021, Mr. Fujimura received introductions from Nomura Securities to 6 companies including MCP and started the process of selecting candidates for alliance and, in late September 2021, he held discussions regarding the Company's business strategies and growth measures with 5 companies, with the exception of a company that declined to participate in the selection process.

In the course of continuing discussions with Mr. Fujimura regarding business strategies and growth measures of the Company from late September 2021 to mid-November 2021, MCP recognized that the Company has a history of approximately 70 years as a company that provides a wide range of products in response to the individual needs of customers in the chemical industry, as well as that the Company has continued a style in which executives and employees with expertise in various fields such as textile oil and glue, cosmetics, electronic materials, paper and metals, who understand the situation in the field, work together with customers to create products in response to customer requests. MCP thus came to understand that the

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Company is a company that has the ability to provide products that are believed to have a high level of QCD (*Note 6*) based on its advanced polymer blending skills and the ability to flexibly respond to individual customer needs.

(*Note 6*) “QCD” QCD is an acronym for Quality, Cost, and Delivery that are generally considered important for production management in the manufacturing industry.

As a result of discussions with the abovementioned 5 companies, in late October 2021, Mr. Fujimura received proposals (the “Initial Proposal”) from 3 companies including MCP, excluding the 2 companies that declined to participate in the selection process, regarding the business strategies, growth measures and capital policy of the Company after making the Company’s Shares to be privately held, as well as the tender offer price assumed at that time. Among such 3 companies, 2 companies including MCP, which Mr. Fujimura evaluated as having relatively deep knowledge of the chemical industry and understanding of the Company’s business and offered relatively higher tender offer price, met with the Company’s management in mid-November 2021. Then, in late November 2021, Mr. Fujimura compared and examined the proposals from the 2 companies that met with the Company’s management, and he was impressed by MCP’s extensive experience in investing in companies in the chemical industry, its deeper knowledge of the chemical industry and deeper understanding of the Company’s business than the other candidates, its strong stance of emphasizing dialogue with the Company, and its strong desire to achieve business growth. Therefore, he reached the conclusion that he would like to aim for medium- to long-term growth of the Company by setting MCP, which offered the highest tender offer price for both upper and lower limits, as partner. In addition, he has come to believe that MCP would be able to provide hands-on support to the Company by providing the management know-how and human resources network that MCP possesses with respect to various measures that will lead to the increase in the corporate value of the Company and the expansion of its business.

In addition, in late November 2021, MCP and Mr. Fujimura continued further discussions and considerations on various measures to increase the corporate value and expand the business as described above. As a result, MCP and Mr. Fujimura have come to believe that it would be an effective option to combine Mr. Fujimura’s management capabilities, MCP’s accumulated know-how and knowledge, and MCP’s management resources with the Company’s business strengths, such as its ability to provide products that are believed to have a high level of QCD based on its advanced polymer blending skills that it has accumulated since its foundation and its ability to flexibly respond to individual customer needs, and thereby to grow the water-soluble polyester resin and cosmetic resin businesses, which are expected to grow in the future, while stably growing the textile glue and electronic materials businesses and, while based on the existing business foundations, to make upfront investments such as capital investments necessary for business expansion with the aim of advancing into

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upstream and downstream areas and optimizing research, development and production through development of new products in existing business development areas and alliances and M&As with other companies, as well as to actively carry out expansion of business areas, collaboration with customers, and alliances and M&As with other companies as an option for growth strategy.

On the other hand, in late November 2021, MCP and Mr. Fujimura have come to believe that the promotion of business structural reforms, such as upfront investments and M&As as described above, may cause a decline in profit levels and deterioration in cash flow of the Company in the short term and it would be difficult for the Company to take these measures while maintaining its listing, because it cannot be denied that such measures, if undertaken without having its stock delisted, may have a negative impact on the market price of the Company's Shares. This led MCP and Mr. Fujimura to a common understanding that in order for the Company to deal with management issues flexibly without being affected by short-term fluctuations in its business performance and to increase its corporate value over the medium to long term under a stable management system, the most effective means is to make the Company's Shares to be held privately to enable agile and flexible decision-making, and to develop the Company's business expansion measures by making maximum use of MCP's management support such as its management know-how and utilization of its human resources network.

Based on the above-mentioned considerations, in late November 2021, MCP and Mr. Fujimura jointly decided to submit a proposal for the Transaction to the Company, and on November 29, 2021, MCP and Mr. Fujimura submitted to the Company an initial proposal concerning the process of the Transaction by making the Company's Shares to be privately held through the Tender Offer, the outline of such scheme, and the outline of the expected schedule, and informed by the Company on such date that it would consider such proposal. Then, MCP and Mr. Fujimura agreed to proceed with discussions with the Company regarding the advisability and terms and conditions of the Transaction.

Based on the then progress of the due diligence on the Company that was conducted from the beginning of December 2021 to January 5, 2022, MCP and Mr. Fujimura considered, with reference to a diverse and comprehensive analysis regarding the business and financial of the Company, all 26 examples of premiums (average and median of premiums on the closing price on the date immediately before the date of publication were 38.28% (rounded to the second decimal place; hereinafter the same in the calculation of the premium) and 37.90%, respectively; average and median of premiums on the simple average closing price in the past 1 month up to such date were 39.43% and 36.15%, respectively; average and median of premiums on the simple average closing price in the past 3 months up to such date were 45.90% and 41.13%, respectively; and average and median of premiums on the simple average closing price in the past 6 months up to such date were 46.68% and 45.63%, respectively, in each case) in other Management Buyout (MBO) cases where the tender offer was successful

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before January 4, 2022 as published on or after June 28, 2019, on which date the Ministry of Economy, Trade and Industry published its “Guidelines for Fair M&A” (the “M&A Guidelines”), and trend of market price of the shares of the Company in the past 1 month, 3 months and 6 months up to January 4, 2022, that 1,620 yen, which is the sum of 1,098 yen, the closing price of the Company’s Shares on January 4, 2022 and the premium of 47.54%, the sum of 1,097 yen (rounded to the nearest whole number; hereinafter the same in the calculation of the simple average closing price), the simple average closing price of the Company’s Shares in the past 1 month up to January 4, 2022 and the premium of 47.68%, the sum of 1,089 yen, the simple average closing price in the past 3 months, and the premium of 48.76%, or the sum of 1,084 yen, the simple average closing price in the past 6 months, and the premium of 49.45%, is a price at which a sufficient premium is added to the average share price for the most recent and past certain periods, and proposed to the Company to set the Tender Offer Price at 1,620 yen on January 5, 2022.

Subsequently, on January 17, 2022, the Company requested an increase in the Tender Offer Price on the grounds that the Special Committee (as defined below) expressed the opinion that it would be appropriate to request for an increase in the Tender Offer Price of 1,620 yen, in light of the situation of the net assets of the Company in comparison with other cases of tender offers based on the assumption that the Company would go private, as is the case with the Transaction. In response, the Offeror, MCP and Mr. Fujimura reconsidered the Tender Offer Price and, on January 18, 2022, made a proposal to the Company to set the Tender Offer Price at 1,670 yen. Subsequently, on January 21, 2022, the Company again requested an increase in the Tender Offer Price on the grounds that the Special Committee expressed the opinion that it would be appropriate to request for an increase in the Tender Offer Price of 1,670 yen, taking into consideration the situation of minority shareholders who have been holding the Company’s Shares for the medium to long term, in light of the comparison with other cases of tender offers based on the assumption that the Company would go private, as is the case with the Transaction, and the long-term trend of the market share price. In response, the Offeror, MCP and Mr. Fujimura reconsidered the Tender Offer Price and, on January 24, 2022, made a proposal to the Company to set the Tender Offer Price at 1,700 yen. Subsequently, on January 27, 2022, the Company again requested an increase in the Tender Offer Price from the perspective of considering the interests of the Company’s minority shareholders as much as possible. In response, the Offeror, MCP and Mr. Fujimura reconsidered the Tender Offer Price and, on January 31, 2022, made a proposal to the Company to set the Tender Offer Price at 1,720 yen. Subsequently, on February 1, 2022, the Company again requested an increase in the Tender Offer Price in order to maximize the interests of minority shareholders based on the discussions in the Special Committee. In response, the Offeror, MCP and Mr. Fujimura reconsidered the Tender Offer Price and, on February 2, 2022, made a proposal to the Company to set the Tender Offer Price at 1,730 yen.

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Subsequently, on February 3, 2022, the Offeror received a response from the Company that it will accept the Offeror's proposal on the assumption that the final decision making will be made through the resolution by the Company's Board of Directors based on the report of the Special Committee.

After late November 2021, when MCP was selected as the partner, MCP and Mr. Fujimura respectively continued considerations regarding the capital structure of the Company after making the Company's Shares to be privately held based on the Initial Proposal made in late October 2021. On December 15, 2021, at the interview between Mr. Fujimura and MCP, Mr. Fujimura indicated his intention to maintain the ownership ratio of the Company's Shares after the reinvestment at the same ratio as the total ownership ratio of the Company's Shares held by Mr. Fujimura and GOO Sangyo prior to the Transaction. Then, at the interview between MCP and Mr. Fujimura held on January 6, 2022, since MCP thought that it was important to respect Mr. Fujimura's intention upon conducting the Transaction with Mr. Fujimura, MCP proposed to Mr. Fujimura that Mr. Fujimura will make a capital contribution of 20%, which approximates to the total ownership ratio of the Company's Shares held by Mr. Fujimura and GOO Sangyo prior to the Transaction, to the Offeror on the date of completion of the Squeeze-out Process, subject to the completion of the Squeeze-out Process, and Mr. Fujimura accepted such proposal and reached an agreement on such proposal on January 10, 2022. Subsequently, on January 25, 2022, when the Offeror conveyed such reinvestment ratio to the Company, the Company replied, on January 30, 2022, that the fact that Mr. Fujimura is expected to make a 20% capital contribution to the Offeror indicates his high level of commitment to the management of the Company after the Transaction, and the Company considered that this will be beneficial to enhancement of the Company's corporate value over the medium to long term from the perspective of maintaining and developing relationships with the Company's officers and employees, business partners and other stakeholders.

In addition, in the Initial Proposal made in late October 2021, MCP made a proposal to Mr. Fujimura on the Transfer of Shares, in which the Offeror acquire the GOO Sangyo's Shares from Mr. Fujimura as of the commencement date of the settlement for the Tender Offer, from the viewpoint of maximizing the transfer price after taxation by choosing a tax-advantageous method. Then, based on the comparison and consideration of the economic logic of the compensation for the transfer after taxation in the event of the Transfer of Shares and in the event where GOO Sangyo tenders its shares with his personal tax advisor, Mr. Fujimura reached a conclusion that the Transfer of Shares is a tax-advantageous method, and then agreed to adopt this scheme on January 4, 2022.

After repeated discussions regarding the terms and conditions of the Transaction including the Tender Offer Price as described above, the Offeror decided today, to commence the Tender Offer as part of the Transaction with the Tender Offer Price as 1,730 yen.

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## B. Management policy after the Tender Offer

After the completion of the Tender Offer and the Transaction, the Offeror plans to utilize MCP's management know-how and human resources network, and thereby to promote measures to increase the corporate value of the Company mainly through the measures described in "A. Background to the decision to implement the Tender Offer" above.

The Transaction is so-called a Management Buyout (MBO), and Mr. Fujimura has entered into the Reinvestment Agreement with the Offeror and agreed that subject to the completion of the Squeeze-out Process, Mr. Fujimura will make a capital contribution of 20% to the Offeror on the date of completion of the Squeeze-out Process, and will continue to manage the Company even after the successful completion of the Tender Offer.

The management structure of the Company after the successful completion of the Tender Offer is undecided as of today. However, while respecting the current management structure of the Company, including having Mr. Fujimura continue to serve as Representative Director, it is planned to dispatch officers from MCP to the Company in the future. Furthermore, there are no specific assumptions regarding the number of officers and other specific details at this time, and it is planned to make a decision after consultation with the Company in the future.

In addition, after the completion of the Squeeze-out Process, the Offeror and the Company are scheduled to conduct the Merger where the Company will be the absorbing and surviving company and the Offeror and GOO Sangyo will be the absorbed and dissolving companies, with the Company's Shares as consideration, and after the Merger, the investment ratio of MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura in the Company will be 80% and 20%, respectively. The specific merger ratio and schedule, etc. for the Merger are undecided as of today.

### (iii) Process and reasons of decision making of the Company to agree to the Tender Offer

As stated in "A. Background to the decision to implement the Tender Offer" of "(ii) Background to, purpose of, and decision-making process, of the Tender Offer, and management policy after the Tender Offer" above, on November 29, 2021, MCP and Mr. Fujimura submitted an initial written proposal concerning the background of the Transaction regarding the going private of the Company's Shares through the Tender Offer, scheme overview thereof, outline of the expected schedule. On the same day, the Company informed MCP and Mr. Fujimura that it would consider the proposal and the Company agreed with MCP and Mr. Fujimura to proceed with discussion on the pros and cons of implementing the Transaction and its conditions. In the review of the contents of the proposal, the Company appointed YAMADA Consulting Group Co., Ltd. ("YAMADA Consulting") as a financial adviser and third-party valuation institution and City-Yuwa Partners as a legal adviser as of December 10, 2021 to ensure fairness of the Tender Offer Price and fairness of the Transaction including other features of the Tender Offer as stated in "(6) Measures to ensure the fairness of the Tender Offer such as

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measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest” below. In addition, on December 10, 2021, the Company established a special committee to review the proposal relating to the Transaction (the “Special Committee”; the composition of the Special Committee and its specific activities, etc. are stated in “(i) Establishment of a special committee and obtainment of a written response by the Company” of “(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest” below) and has built a framework for discussion and negotiation relating to the Transaction.

Then, with respect to the purpose of the Transaction, management structure and policies after the Transaction, and the conditions of the Transaction, etc., the Company has been engaged in review of appropriateness of the Transaction through multiple discussions and negotiations with MCP, Mr. Fujimura and the Offeror from December 16, 2021 to February 3, 2022 based on the negotiation policy acknowledged by the Special Committee in advance as well as its opinions, instructions, requests, etc. in critical phases of negotiation and in consultation with YAMADA Consulting and City-Yuwa Partners.

With respect to the Tender Offer Price, the Company received the proposal to set the Tender Offer Price at 1,620 yen per share from MCP and Mr. Fujimura on January 5, 2022 and then, based on the report on the estimate of share price valuation of the Company’s Shares provided by YAMADA Consulting and opinions of the Special Committee on the negotiation policy, from the perspective of considering the interests of the Company’s minority shareholders as much as possible, on January 17, 2022, the Company expressed its request to increase the Tender Offer Price. With respect to the request, the Special Committee expressed its opinion at the meeting held on January 14, 2022 that the Company should express its opinion to increase the Tender Offer Price in consideration of the following reason: compared to the cases of Management Buyout (MBO) and acquiring 100% shares in a company by its parent company for the purpose of going private similar to the Transaction (63 cases announced after June 28, 2019, when the Ministry of Economy, Trade and Industry published the “M&A Guidelines”), it is true that the proposed price of 1,620 yen has a certain degree of reasonableness in terms of premium to market share price (the average premium to market share price in the above 63 cases is 41.56% compared to the closing price on the business day immediately preceding the announcement date, and 44.73% compared to simple average closing price for the month prior to the announcement 48.43% compared to simple average closing price for the three months prior to the announcement, and 49.72% compared to simple average closing price for the six months prior to the announcement. On the other hand, the premium of the proposed price of 1,620 yen with respect to market share price (calculated based on the closing price on the reference date, January 13, 2022, and simple average closing prices for the most recent one month, three months, and six months) was calculated to be approximately 48% to 49%.), but in consideration of the Company’s net assets and other factors where its price book-value ratio (P/B ratio) based on the proposed price will be 0.72, the Company should express its opinion to increase

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the Tender Offer Price. In response to such request, on January 18, 2022, the Company received a second proposal from Offeror, MCP and Mr. Fujimura to set the Tender Offer Price at 1,670 yen per share. In response, on January 21, 2022, the Company requested Offeror, MCP and Mr. Fujimura to further increase the Tender Offer Price from the same perspective as the above request on January 14, 2022, i.e., from the perspective of considering the interests of the Company's minority shareholders as much as possible. The Special Committee expressed its opinion at the meeting held on January 20, 2022 that, in addition to the opinion expressed at the meeting held on January 14, 2022, based on the possibility that there are shareholders who acquired the Company's Shares at a price of 1,710 yen per share on November 2, 2017, the highest closing price during the period for which the share price can be confirmed (since March 1, 2001, when the Company was listed on the Osaka Securities Exchange), it would be appropriate to request further increase in the Tender Offer Price, taking into consideration of the situation of minority shareholders who have held the Company's Shares for the medium to long term. In response to such request, on January 24, 2022, the Company received a third proposal from Offeror, MCP and Mr. Fujimura to set the Tender Offer Price at 1,700 yen per share. In response, on January 27, 2022, the Company requested Offeror, MCP and Mr. Fujimura to further increase the Tender Offer Price from the perspective of considering the interests of the Company's minority shareholders as much as possible. The Special Committee expressed its opinion at the meeting held on January 26, 2022, based on the opinion expressed at the meeting held on January 20, 2022, that it would be appropriate to request further increase in the Tender Offer Price, taking into consideration of the situation of minority shareholders who have held the Company's Shares for the medium to long term and the Company's net assets, etc. In response to such request, on January 31, 2022, the Company received a fourth proposal from Offeror, MCP and Mr. Fujimura to set the Tender Offer Price at 1,720 yen per share. In response, on February 1, 2022, the Company requested Offeror, MCP and Mr. Fujimura to further increase the Tender Offer Price from the perspective of considering the interests of the Company's minority shareholders as much as possible. The Special Committee expressed its opinion at the meeting held on February 1, 2022, that although the price of 1,720 is considered to be within the range of reasonable levels for minority shareholders, it would be appropriate to request further increase in the Tender Offer Price from the perspective of securing the interests of minority shareholders to the maximum extent possible. After such negotiation, the Company received the final proposal to set the Tender Offer Price at 1,730 yen per share from the Offeror, MCP and Mr. Fujimura on February 2, 2022. The Company confirmed appropriateness of the proposal with the Special Committee and reviewed it carefully based on the share price valuation report provided by YAMADA Consulting as of February 3, 2022 (the "Share Price Valuation Report"), and consequently, has judged that the price is reasonable and determined to accept the proposal for the following reasons: (i) The price is at (a) 58.72 % premium compared to 1,090 yen, the closing price of the Company's Shares on the Second Section of the Tokyo Stock Exchange on February 1, 2022, which is the most recent trade date



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of the announcement date of the Tender Offer (b) 59.01 % premium compared to 1,088 yen, simple average closing price of the Company's Shares for the past one month up to February 3, 2022, (c) 58.86 % premium compared to 1,089 yen, simple average closing price of the Company's Shares for the past three months, and (d) 59.01 % premium compared to 1,088 yen, simple average closing price of the Company's Shares for the past six months. Therefore, the price can be deemed reasonable as being at a reasonable premium to the market price of the Company's Share in comparison with the average premiums to market share price in the past 63 cases in which the premiums are 41.56% compared to the closing price on the business day immediately preceding the announcement date, 44.73% compared to simple average closing price for the month prior to the announcement, 48.43% compared to simple average closing price for the three months prior to the announcement, and 49.72% compared to simple average closing price for the six months prior to the announcement. (ii) In addition, the price exceeds the upper value of the range of the calculation result using the market price analysis by YAMADA Consulting as described in "(3) Matters regarding calculation" below and exceeds the median of the range of calculation results based on the Discounted Cash Flow analysis ("DCF Analysis"). The Tender Offer Price is below the net assets amount per share (2,257 yen) calculated from the book value of the Company's net assets as of September 30, 2021, but considering the difficulty of asset sales and substantial additional costs associated with liquidation, the book value of net assets will not be realized as it is and it is expected to be substantially impaired. Further, as mentioned above, the Company negotiated over the price considering its net assets and other factors in order to give maximum consideration to its minority shareholders (as a result, the P/B ratio based on the initial proposed price of 1,620 yen was 0.72 but such ratio based on the Tender Offer Price was increased to 0.77) but it believes that as the value of net assets indicate a company's liquidation value and do not reflect its future profitability, it is not reasonable to focus on the Company's net assets when calculating the corporate value of the Company which is a going concern. As such, the Company has continuously negotiated the Tender Offer Price with MCP, Mr. Fujimura and the Offeror.

Furthermore, the Company received necessary legal advices regarding the method and process of decision making by the board of directors of the Company including procedures for the Transaction and other points to note from City-Yuwa Partners as its legal adviser and also received the written response as of February 3, 2022 (the "Written Response") from the Special Committee (the overview of the Written Response and specific activities, etc. of the Special Committee are described in "(i) Establishment of a special committee and obtainment of a written response by the Company" of "(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest"). Then, in consideration of the legal advice received from City-Yuwa Partners and the Share Price Valuation Report obtained from YAMADA Consulting, and fully respecting the Written Response submitted by the Special Committee, the Company conducted careful discussion and review from the standpoint of whether the Transaction could improve the

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Company's corporate value, whether the conditions of the Transaction, including the Tender Offer Price, are reasonable, and whether interests to be enjoyed by general shareholders are secured by the Transaction to be conducted through fair procedures.

As described in "A. Background to the decision to implement the Tender Offer" of "(ii) Background to, and objectives and decision-making process leading to the decision to implement the Tender Offer and management policy after the Tender Offer" above, the Group has provided products in various fields and for different uses such as cosmetics, electronic materials, paper and metals including oiling agents and sizing agents for textiles and developed the business relating to manufacturing and sales of chemical industrial products by addressing customer needs. The circumstances surrounding the business of the Group have been changing such as shrinking domestic textile production in the textile industry, increased price competition in the electronic materials industry and the like, and, under such circumstances, the Company recognizes that, while identifying higher-growth areas, it needs to proactively and continuously develop new products and new features that can be source of competitiveness and make capital investments, etc. to improve productivity in order to respond to technological innovations in various industries and related changes in customer needs. However, while the Company responds to specific customer's request, provide a wide variety of products and carefully responds to market needs, it has not driven proactive capital investments and innovation of its business structure based on its policy that it must secure and maintain a certain level of profit as a listed company, and as a result, its sales amount in the consolidated financial statements, from a mid-to long-term perspective, during the past 20 years from the fiscal year ending March 2002 to the fiscal year ending March 2021 has been in the range of approximately 6.3 to 7.6 billion yen and has failed to achieve continued growth.

Under such circumstances, in the course of discussion and negotiation on the Transaction, as described in "A. Background to the decision to implement the Tender Offer" of "(ii) Background to, and objectives and decision-making process leading to the decision to implement the Tender Offer and management policy after the Tender Offer" above, MCP and Mr. Fujimura have indicated the policy that, by utilizing Mr. Fujimura's management skills, MCP's accumulated knowhow and knowledge, management resources held by MCP, etc. together with the business advantage such as the ability to provide products considered to be of QCD standards based on advanced polymer compounding skills and the ability to respond flexibly to customer's specific needs developed by the Company since its establishment, the Company will develop water-soluble polyester resin and cosmetic resin business which is expected to grow going forward, while steadily developing the businesses of sizing agents for textiles and electronic materials, make up-front investment such as entry into upstream and downstream areas and capital investment required for business expansion with the aim of optimizing R&D and production through the development of new products in existing business areas, alliances with other companies, and mergers and acquisitions while being

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based on the existing business foundation, and proactively carry out expansion of business areas, collaboration with customers, alliance with other companies and M&As as an option for growth strategies, and in early January 2022, the Company has determined that such measures will enable the Company to realize swift and optimal distribution of management resources in the respective businesses by expanding into upstream and downstream areas, developing new products in existing business areas, and optimizing R&D and production through alliances with other companies and M&A from a mid- to long-term perspective with the cooperation of MCP while maintaining and utilizing the Company's business foundation as a company manufacturing and selling chemical products with unique functionality, with the Company's ability to provide products considered to be of QCD standards based on its advanced polymer compounding skills and the ability to respond flexibly to customer's specific needs, and serve to the Company's sustainable growth and improvement of its corporate value by making up-front investments such as capital expenditures necessary for business expansion, and by expanding business areas as an option for growth strategies.

However, pursuit of such proactive measures may, although it is expected to serve to improvement of the Company's corporate value in the mid- to long-term, not necessarily work immediately and contribute to the Company's performance, but rather may cause deterioration in the Company's profit level and cash flows in the short-term with the increase in depreciation and payments for upfront investments due to capital expenditures and other upfront investments required for business expansion. In the event the Company carries out such measures while maintaining the listing, there is a concern that the Company may not gain recognition on such measures from the capital market and may cause disadvantage to the Company's shareholders such as decline in the price of the Company's Shares in the short-term. In order to address such concern and to realize future sustainable growth, the Company has come to a decision that the best choice for achievement of improvement of its corporate value is to establish the management structure that enables swift and flexible decision making from a mid- to long-term perspective, without being caught up in short-term performance fluctuation excessively, by taking the Company private, and to establish a network with suppliers and manufacturers and to establish an educational system and structure for human resources, including the development of next generation of management by making maximum use of MCP's management knowhow which enables hands-on assistance and management support such as human resources network, etc. In addition, by going private, the Company can reduce the costs to maintain the listing (such as the cost for continuous information disclosures such as annual securities reports, etc., audit fee, cost of management of shareholders meeting and entrustment of administrative processes, etc.), and eliminate other managerial encumbrances involved in keeping it listed such as costs for maintaining administration department which is necessary as a listed company and other costs, which enables the Company to concentrate its management resources on business growth.

On the other hand, by going private, the Company loses funding through equity

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financing from the capital market, and recruitment of excellent human resources and expansion of business, etc. thanks to the increase of social credibility and visibility enjoyed by the Company because of being listed may be affected. However, considering the Company's current level of cash and deposits and the recent low-interest environment in indirect financing, the Company believes that equity financing is not necessary. Furthermore, recruitment of excellent human resources and expansion of business, etc. thanks to the increase of the Company's social credibility and visibility are mostly acquired and maintained through its business activities, and the Company recognizes that the necessity to maintain the listing of the Company's Shares is relatively decreasing. In addition, as Mr. Fujimura, who has served as President and Representative Director of the Company since June 2013 and is quite familiar with the Company's business, will continue to manage the Company, the Company will be able to take advantage of its business strengths, such as the ability to provide products considered to be of QCD standards based on the advanced polymer compounding skills that the Company has cultivated since its establishment, and the ability to flexibly respond to customer's specific demands, while adopting policies and measures based on MCP's resources and network. Therefore, the Company believes that it is reasonable for Mr. Fujimura to continue to manage the Company through Management Buyout (MBO). Furthermore, the fact that Mr. Fujimura is expected to make a 20% capital contribution to the Offeror on the completion date of the Squeeze-out Process also indicates his high level of commitment to the management of the Company after the Transaction. The Company considered that this will be beneficial to enhancement of the Company's corporate value over the medium to long term from the perspective of maintaining and developing relationships with the Company's officers and employees, business partners and other stakeholders.

Based on the above, the Company has determined at its board meeting held today that the Company's going private by the Transaction including the Tender Offer in the form of Management Buyout (MBO) with re-investment by Mr. Fujimura contributes to improving the Company's corporate value.

Furthermore, (a) the Tender Offer Price (1,730 yen) exceeds the upper value of the calculation result using the market price analysis and exceeds the median of the range of the calculation results using the DCF Analysis as shown by the share price valuation results for the Company's Shares provided by YAMADA Consulting as described in "(3) Matters regarding calculation"; (b) using February 3, 2022, the business day immediately preceding the announcement date of the Tender Offer, as the reference date, the Tender Offer Price is at i) 58.72 % premium compared to 1,090 yen, which is the closing price of the Company's Share on the TSE Second Section on February 1, 2022, the most recent trade date of the announcement date of the Tender Offer; ii) 59.01 % premium compared to 1,088 yen, which is the simple average closing price for 1 month immediately preceding the reference date; and iii) 58.86 % premium compared to 1,089 yen, which is the simple average closing price for 3 months immediately preceding the

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reference date; and iv) 59.01 % premium compared to 1,088 yen, which is the simple average closing price for the immediately preceding 6 months, and these premiums are deemed to be equivalent to or higher than the average premium level (as stated above, the average premium to market share price is 41.56% compared to the closing price on the business day immediately preceding the announcement date, 44.73% compared to simple average closing price for the month prior to the announcement, 48.43% compared to simple average closing price for the three months prior to the announcement, and 49.72% compared to simple average closing price for the six months prior to the announcement) in other cases (63 cases) of Management Buyout (MBO) and acquiring 100% shares in a company by its parent company announced after June 28, 2019, when the Ministry of Economy, Trade and Industry published “ M&A Guidelines”; (c) the Transaction takes care of the interests of the Company’s general shareholders such as adopting measures to avoid conflicts of interest, etc. as described in “(6) Measures to ensure the fairness of the Tender Offer such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest” below; (d) the Tender Offer Price has been decided after said measures to avoid conflicts of interest were taken, and through several occasions in which the Offeror, MCP, Mr. Fujimura and the Company were engaged in discussions and negotiations equivalent to those in an arms-length transaction, more specifically, decided through sincere and consecutive discussions and negotiations with MCP, Mr. Fujimura and the Offeror and in light of consultations with the Special Committee, advices from YAMADA Consulting based on details of the calculation results of the share value of the Company’s Shares and financial aspect and legal advices from City-Yuwa Partners and so on; and (e) the Special Committee confirmed the negotiation policy in advance, received reports on progress of the negotiations in timely manner and gave opinions, instructions and requests, etc. in critical phases in the negotiations, and it has expressed its opinion that the conditions of the Transaction including the Tender Offer Price are appropriate. In light of the foregoing, the Company decided at its board meeting held on the date hereof that the Tender Offer Price and other conditions of the Tender Offer are appropriate for the Company’s shareholders and the Tender Offer provides the shareholders with a reasonable opportunity to sell their Company’s Shares. The Tender Offer Price is below the net assets amount per share (2,257 yen) calculated from the book value of the Company’s net assets as of September 30, 2021, but considering the difficulty of asset sales and substantial additional costs associated with liquidation, the book value of net assets will not be realized as it is, and it is expected to be substantially impaired. Further, the Company believes that as net assets indicate a company’s liquidation value and do not reflect its future profitability, it is not reasonable to focus on the net assets when calculating the corporate value of the Company which is a going concern. Since the Tender Offer Price exceeds the median value in the DCF Analysis of share value calculation by YAMADA Consulting and cash equivalents, which the Company holds in large amounts, are reflected in the share value as surplus cash and deposit except for the minimum required working capital (1 to 1.5 months’ level of the total amount of cost

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of sales and selling, general and administrative expenses less depreciation), the Company determined the Tender Offer Price is reasonable after consideration based on the result of analysis using the DCF Analysis in addition to the market price analysis.

On the basis of the foregoing, at the Company's board meeting held on the date hereof, the Company, with unanimous assent of 7 directors who participated in the deliberation and resolution (Mr. Yasuto Fukushima, Mr. Tokuzan Miyake, Mr. Teruo Furukawa, Mr. Masato Matsumura and Mr. Toru Watanabe, and Mr. Kenichi Nishikawa and Mr. Hirofumi Yoshida as Audit and Supervisory Committee Members) other than Mr. Fujimura and Mr. Hisayoshi Tanaka, passed the resolution representing its opinion in favor of the Tender Offer and recommending that the Company's shareholders tender their Company's Shares in the Tender Offer. As Mr. Fujimura, Representative Director of the Company, plans to invest in the Offeror, while continuing to be involved in the management of the Company after successful completion of the Tender Offer, and Mr. Hisayoshi Tanaka, Director (Audit and Supervisory Committee Member) of the Company, plans to provide services to Mr. Fujimura as a tax accountant after completion of the Transaction, with a view to avoiding suspicion of conflicts of interest, both of them did not participate in the deliberations or resolutions in the said board meeting and were not involved on the Company's side in the discussions or negotiations with MCP, Mr. Fujimura or the Offeror.

### (3) Matters regarding calculation

#### (i) Name of valuation institution and a relationship between the Company and the Offeror

When stating its opinion in relation to the Tender Offer, in order to ensure the fairness of the decision-making regarding the Tender Offer Price offered by the Offeror, the Company requested YAMADA Consulting, the financial advisor and third-party valuation institution that is independent from the Offeror, the Company, MCP and Mr. Fujimura, to calculate the share value of the Company's Shares and obtained the Share Price Valuation Report on February 3, 2022.

YAMADA Consulting is not a related party to the Offeror, the Company, MCP and Mr. Fujimura and has no material interest in the Transaction including the Tender Offer. Substantial part of the fees to be paid to YAMADA Consulting in relation to the Transaction shall be transaction fees the payment of which is conditional on the announcement of the Transaction and the completion of the Squeeze-out Process, and the Company selected YAMADA Consulting as its financial advisor and third-party valuation institution based on the above fee structure after considering general customary practices, etc. for same type of transactions. Further, during the first meeting, the Special Committee approved YAMADA Consulting as the Company's financial advisor and third-party valuation institution after confirming that there were no issues of its independence.

#### (ii) Outline of calculation

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Based on its decision that it is appropriate to evaluate the Company's Shares from many sides after considering the calculation method for the Tender Offer and under the premise that the Company is a going concern, YAMADA Consulting calculated the share value of the Company by adopting the market value analysis because the Company's Shares are listed on the TSE Second Section, and the DCF Analysis in order to reflect the Company's future business activities in the calculation. YAMADA Consulting has not adopted the comparable company analysis as a calculation method for the valuation of the Company's Shares in light of the restrictions on the similarity of the Company's business and profitability, and has not adopted the net asset analysis because the Company plans to continue its business as a going concern. In addition, it should be noted that the Company has not obtained any opinion on the fairness of the Tender Offer Price (fairness opinion) from YAMADA Consulting.

The range of the share value per the Company's Share calculated by YAMADA Consulting by using each of the analyses is as follows:

Market price analysis: 1,088 yen - 1,090 yen

DCF Analysis: 1,407 yen - 1,824 yen

For the market price analysis, the reference date is February 3, 2022, and the price per share of the Company's Shares was calculated to be in the range from 1,088 yen to 1,090 yen, on the basis of the following prices per share of the Company's Shares on the TSE Second Section: the closing price on the reference date (1,090 yen) (Since there were no transactions on the reference date, the closing price on February 1, 2022, which was the most recent trade date, was used.); the simple average closing price for the past 1 month (from January 4, 2022 to February 3, 2022) (1,088 yen); the simple average closing price for the past 3 months (from November 4, 2021 to February 3, 2022) (1,089 yen); and the simple average closing price for the past 6 months (from August 4, 2021 to February 3, 2022) (1,088 yen).

For the DCF Analysis, the corporate value and the share value were evaluated by discounting free cash flow that the Company is expected to create in and after the fourth quarter of the fiscal year ending March 2022 by a certain discount rate on the basis of the business plan prepared by the Company for the period from the fiscal year ending March 2022 through the fiscal year ending March 2027, the financial information for the third quarter of the fiscal year ending March 2022 and publicly available information, etc. This analysis showed that the price per share of the Company's Shares was in the range from 1,407 yen to 1,824 yen. The cash equivalents are reflected in the share value except for the minimum required working capital (1 to 1.5 months' level of the total amount of cost of sales and selling, general and administrative expenses less depreciation). The discount rate between 6.43% and 8.43% was adopted and in calculating the going concern value, the permanent growth analysis was adopted and the permanent growth rate  $\pm 0.5\%$  was used in the analysis.

The following table shows the financial forecasts based on the Company's business

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plan, which YAMADA Consulting used as a premise for the DCF Analysis. It should be noted that the business plan used by YAMADA Consulting in the DCF Analysis covers fiscal years in which a large increase or decrease in earnings compared to the previous fiscal year is expected. As the specific factors for such increase or decrease, the depreciation cost of fixed assets and the operating income for the fiscal year ending March 2023 are expected to increase and decrease respectively due to a large-scale capital investment in the fiscal year ending March 2022 and the operating income for the fiscal year ending March 2024 is expected to increase as a result of sales growth of the reacting-system products and so on.

Furthermore, in the business plan, synergistic effects expected to be realized through the Transaction and the effects of various measures expected to be implemented after the Transaction are not taken into account because it is difficult to specifically estimate such effects at this moment.

(Unit: million yen)

	FY ending March 2022 (3 months)	FY ending March 2023	FY ending March 2024	FY ending March 2025	FY ending March 2026	FY ending March 2027
Sales Amount	1,856	7,368	7,562	7,683	7,870	8,093
Operating Income	85	244	343	415	508	642
EBITDA	245	948	1,056	1,134	1,246	1,351
Free Cash Flow	▲605	280	192	276	337	391

When calculating the share value of the Company's Shares, YAMADA Consulting used the information provided by the Company and generally available information and so on without modifying, editing or making any change as a general rule and did not independently verify the accuracy and completeness of such materials and information on the basis that those are accurate and complete. YAMADA Consulting neither conducted its own evaluation or appraisal of the assets and liabilities of the Company (including off-balance-sheet assets and liabilities and any other contingent liabilities) nor requested any third-party institution to appraise or evaluate the above. In addition, the information on the financial forecasts of the Company is supposed to have been reasonably prepared based on the best forecast and decision by the Company's management team available as of this moment. However, YAMADA Consulting did confirm the rationality of the Company's business plan used as a basis for the calculation by having several Q&A sessions with the Company and understanding how the business plan was prepared and the actual condition of the Company and in terms of the fact that no illogical point was found therein. The calculation conducted by YAMADA



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Consulting reflects the information on the above up to February 3, 2022.

(4) Policy regarding reorganization, etc., following completion of the Tender Offer (so-called “two-step acquisition”)

If the Offeror cannot acquire all the Company’s Shares (excluding the treasury shares and GOO Sangyo’s Non-Tendering Shares held by the Company) through the Tender Offer, the Offeror plans to carry out the Squeeze-out Process by the following means after the successful completion of the Tender Offer, as described in “(i) Overview of the Tender Offer” of “(2) Grounds and reasons of the opinion” above.

(i) Demand for Shares. Cash-Out

If, as a result of the successful completion of the Tender Offer and the Transfer of Shares, the total number of the voting rights of the Company held by the Offeror and GOO Sangyo is 90% or more of the voting rights of all shareholders of the Company, and the Offeror falls under a special controlling shareholder prescribed in Article 179, Paragraph 1 of the Companies Act, promptly after the settlement of the Tender Offer and the completion of the Transfer of Shares, all shareholders of the Company (however, excluding the Offeror, the Company, and GOO Sangyo) (the “Shareholders Subject to the Cash-Out”) will be subject to a demand for sale of all their Company’s Shares (the “Demand for Share Cash-Out”) pursuant to the provision of Book 2, Chapter 2, Section 4-2 of the Companies Act.

In the Demand for Share Cash-Out, it will be determined that the amount of cash corresponding to the Tender Offer Price will be delivered to the Shareholders Subject to the Cash-Out as the consideration per Company’s Share. In such case, the Offeror shall notify the Company of that effect and request the Company to approve the Demand for Share Cash-Out. If the Company approved the Demand for Share Cash-Out by a resolution of the board of directors, the Offeror acquires from all the Shareholders Subject to the Cash-Out all their Company’s Shares as of the acquisition date specified in the Demand for Share Cash-Out in accordance with the procedures prescribed in the relevant laws and regulations without obtaining the consent from each shareholder of the Company. In such case, the Offeror shall, as the consideration for the Company’s Shares held by the Shareholders Subject to the Cash-Out, deliver the amount of cash corresponding to the Tender Offer Price per Company’s Share to each Shareholder Subject to the Cash-Out.

If the Offeror makes the Demand for Share Cash-Out, the Company intends to approve the Demand for Share Cash-Out at the Company’s board of directors’ meeting.

Regarding the provisions under the Companies Act aimed at protecting minority shareholders’ interests in relation to the above, the Shareholders Subject to the Cash-Out may file a petition with a court to determine the purchasing price of their Company’s

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Shares in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations. The purchasing price of the Company's Shares if these petitions are filed will be ultimately determined by the court.

(ii) Share Consolidation

If, after the successful completion of the Tender Offer and the Transfer of Shares, the total number of voting rights of the Company held by the Offeror and GOO Sangyo is less than 90% of the voting rights of all shareholders of the Company, the Offeror intends to request the Company to hold an extraordinary shareholders' meeting in around June, 2022 (the "Extraordinary Shareholders' Meeting") to approve the consolidation of the Company's Shares (the "Share Consolidation") pursuant to Article 180 of the Companies Act and to amend its Articles of Incorporation to abolish the provision concerning less than one unit shares subject to the Share Consolidation becoming effective. If the Tender Offer is completed successfully, the Company intends to comply with such request from the Offeror. The Offeror and GOO Sangyo intend to approve the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal regarding the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the Company's shareholders will own the number of the Company's Shares in proportion to the share consolidation ratio as approved in the Extraordinary Shareholders' Meeting as of the date when the Share Consolidation becomes effective. If there are any fractional shares upon the Share Consolidation, the amount of cash corresponding to the amount obtained such as by selling the Company's Shares equivalent to the total number of fractional shares (if the aggregated number of entitlements to fractional shares includes a fractional number, such fractional number will be rounded down; hereinafter the same) to the Company or the Offeror will be delivered to the Company's shareholders in accordance with the procedures under Article 235 of the Companies Act and other relevant laws and regulations. Concerning the sales price of the Company's Shares corresponding to the aggregated number of fractional shares, the Company will be requested to file a petition for voluntary disposal permission with the court after setting so that the amount of cash to be delivered to the Company's shareholders (excluding the Offeror, the Company, and GOO Sangyo) who did not tender their shares to the Tender Offer will be equal to the amount calculated by multiplying the Tender Offer Price by the number of the Company's Shares held by such shareholders. Although the share consolidation ratio for the Company's Shares is undetermined as of today, it is intended that the share consolidation ratio will be determined so that the number of the Company's Shares held by the Company's shareholders (excluding the Offeror and GOO Sangyo) who did not tender their shares to the Tender Offer will be a fractional number of less than one share, which will enable

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the Offeror and GOO Sangyo to hold alone all the Company's Shares (excluding treasury shares held by the Company and GOO Sangyo's Non-Tendering Shares). However, if there are Company's shareholders (other than the Offeror) who hold the number of Company's Shares equal to or greater than the number of GOO Sangyo's Non-Tendering Shares held by GOO Sangyo, the ratio of consolidation for the Company's Shares will be such that only the Offeror holds all of the Company's Shares (excluding treasury shares held by the Company) as a result of the Share Consolidation.

The Companies Act prescribes that, in the case where the Share Consolidation is implemented, if there are any fractional shares when the Share Consolidation is conducted, the Company's shareholders may, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, demand the Company to purchase all fractional shares of the Company's Shares that the relevant shareholders hold at a fair price, and may file a petition to determine the price under appraisal rights of such Company's Shares. As mentioned above, in the Share Consolidation, the number of the Company's Shares held by the Company's shareholders (excluding the Offeror, the Company, and GOO Sangyo) who did not tender their shares to the Tender Offer will be a fractional number of less than one share. The Company's shareholders who disapprove of the Share Consolidation will be able to file the above petition. The purchasing price of the Company's Shares if these petitions are filed will be ultimately determined by the court.

The Tender Offer is not intended to solicit the votes of the Company's shareholders in favor of the resolutions to be proposed at the Extraordinary Shareholders' Meeting.

Regarding the procedures of (i) and (ii) above, depending on any revisions to and enforcement of the relevant laws and regulations, interpretation thereof by authorities, there is a possibility that it may take time to implement them or that changes may be made to the method of implementation. In such case, however, if the Tender Offer is completed successfully, the Offeror plans to adopt such method that enables each of the Company's shareholders (excluding the Offeror, the Company, and GOO Sangyo) not having tendered his or her shares to the Tender Offer to ultimately receive cash. If such method is adopted, it is intended that the amount of such cash to be delivered to the relevant Company's shareholders will be calculated to be equal to the price produced by multiplying the Tender Offer Price by the number of the Company's Shares held by such Company's shareholder. However, if a petition to determine the purchase price concerning the Demand for Share Cash-Out or a petition to determine the price for exercise of appraisal rights in respect of the Share Consolidation is filed, the purchasing price or the price for exercise of appraisal rights of the Company's Shares held by the Company's shareholders who filed the petition will be ultimately determined by the

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court.

The details of the above procedures and the timing of implementation thereof will be promptly announced by the Company once decided upon negotiation with the Company. Each Company's shareholder should consult with his or her tax expert, at his or her own responsibility, regarding the tax treatment relating to the Tender Offer or under each of the above procedures.

After the completion of the Squeeze-out Process, the Offeror, the Company, and GOO Sangyo plan to implement the Merger. The specific merger ratio and schedule, etc. for the Merger are undecided as of today.

(5) Prospects for delisting and its reasons

The Company's Shares are currently listed on the TSE Second Section as of today. Because the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Company's Shares may be delisted through prescribed procedures in accordance with the stock delisting criteria established by the TSE, depending on the results of the Tender Offer. Also, even in the case where the Company's Shares do not fall under that criteria as of the successful completion of the Tender Offer, if the Squeeze-out Process set out in "(4) Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition")" above, the Company's Shares will fall under the criteria and will therefore be delisted through the prescribed procedures in accordance with the stock delisting criteria established by the TSE. After delisting of the Company's Shares, the Company's Shares can no longer be traded on the TSE.

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

In light of factors such as the Tender Offer being carried out as part of a so called Management Buyout (MBO), where there may be an inherent conflict of interest, and from the perspective of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process behind the decision to implement the Tender Offer, and avoiding conflicts of interest, the Offeror and the Company have carried out the following measures to ensure the fairness of the Transaction including the Tender Offer.

Matters set forth below that concern measures carried out by the Offeror are based on the explanations given by the Offeror.

(i) Establishment of a special committee and obtainment of a written response by the Company

In view of the facts that the Transaction is conducted as part of the so-called Management Buyout (MBO) and the Company's consideration of the Transaction may cause structural conflicts of interest, the Company established the Special Committee consisting of the following three members during the Company's board meeting held on December 10, 2021: the Company's Outside Director and Independent Director, Toru

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Watanabe (attorney), and external experts with sufficient knowledge and experience of M&A transactions, Toru Matsumoto (certified public accountant and tax accountant at Toru Matsumoto Certified Public Accountant Office) and Yusuke Takaya (attorney at Iwaida Partners), independent from the Offeror, the Company, MCP and Mr. Fujimura in order to carefully make decisions in relation to the Transaction, avoid arbitrariness and conflicts of interest in the decision-making process of its board of directors, and ensure its fairness. The Company appointed the above three persons as members of the Special Committee since its establishment, and none of the members of the Special Committee has been changed. In addition, by mutual election by the members of the Special Committee, Toru Watanabe, the Company's Outside Director and Independent Director, has taken a position of chairperson of the Special Committee. The remuneration of the members of the Special Committee is fixed remuneration only which is payable regardless of the success or failure of the Transaction, and contingency fees the payment of which is conditional on the announcement or closing of the Transaction are not included.

The Company, based on the resolution of the board of directors above, tasked the Special Committee with providing advice as to (a) the appropriateness and reasonableness of the purpose of the Transaction (including improvement of the Company's corporate value through the Transaction); (b) the fairness of the conditions of the Transaction (including the Tender Offer Price); (c) the fairness of the course of negotiations and decision-making procedures relating to the Transaction; (d) whether the Transaction (including the Company's decision relating to the procedures of the Transaction) is against the interest of minority shareholders of the Company; and (e) the pros and cons of the Company's board meeting expressing its opinion in favor of the Tender Offer and recommending to the Company's shareholders that they tender their shares in the Tender Offer, based on (a) through (d) above ((a) through (e) above shall be hereinafter collectively referred to as the "Questions") and submitting a written response to the Company's board meeting regarding these matters.

Further, the Company's board meeting has resolved that, when making its decision in relation to the Transaction at its board meeting, it shall give as much weight as possible to the written response of the Special Committee to the Questions and if it determines that the terms and conditions of the Transaction are unreasonable, it shall not approve the Transaction. In addition, the Company's board meeting grants the following authority to the Special Committee: to negotiate with the Offeror by itself; to receive status reports in a timely manner and state its opinion, provide instructions and make requests in a crucial phase, even if the negotiations with the Offeror are conducted by related persons in the Company and its advisor, thereby enabling itself to make a substantive impact on the negotiation process concerning transaction conditions; to select the Special Committee's own outside advisors as necessary (the costs thereof shall be paid by the Company); and to appoint or approve (including subsequent approval) outside advisors selected by the Company.

From December 16, 2021 to February 3, 2022, the Special Committee held a total of

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8 meetings for a total of 11.5 hours and carefully reviewed the Questions by expressing its opinions, exchanging information, gathering information, etc. via emails, etc. outside the meetings, having discussion at any time as necessary.

More specifically, during the first meeting held on December 16, 2021, the Special Committee approved the financial advisor and third-party valuation institution, and legal advisor selected by the Company after confirming that there were no issues of their independence. Further, the Special Committee confirmed during this meeting that while negotiations with the Offeror shall be conducted by persons within the Company and its advisors as a principle, it shall receive status reports from persons in charge of the negotiations in a timely manner and state its opinions, provide instructions and make requests in a crucial phase, thereby enabling itself to be substantively involved in the negotiation process, and that the Special Committee is authorized to request the officers, employees, advisors, etc. of the Company to gather all information necessary to prepare its response.

Additionally, the Special Committee received explanations from the Company about the business, performance history and major management issues of the Company; advantages and disadvantages expected to be provided by the Transaction for the Company's business; and the details of the Company's business plan and its development procedures which will be a basis for consideration of the conditions of the Transaction, and Q&A sessions have been held with the Company. In addition, the Special Committee received explanations from MCP, Mr. Fujimura and the Offeror regarding the deliberation process that led to the proposal of the Transaction, the details of the measures expected after the Transaction, the details and degree of the advantages and disadvantages and other impacts that can be expected from the Transaction, and the Company's management policies, etc. expected after the Transaction, and Q&A sessions have been held with them. Further, the Special Committee received explanations regarding the calculation of the share price of the Company's Shares from YAMADA Consulting, the Company's financial advisor and third-party valuation institution, and examined the reasonableness of such valuation after having Q&A sessions (please note that YAMADA Consulting held Q&A sessions with the Company several times regarding the Company's business plan which was the basis of the calculation of the DCF Analysis; analyzed and reviewed its details; and confirmed the reasonableness of the details of the plan and its development process in light of the interest of the Company's general shareholders). The Special Committee also received advice from City-Yuwa Partners, the Company's legal advisor, regarding the measures to ensure the fairness of the procedural aspects of the Transaction including the meaning and roles of the Special Committee, and the method and process of the decision-making of the Company's board meeting and the details of other measures to avoid conflicts of interest. The Special Committee received timely reports from the Company regarding the process and details of the discussions and negotiations with respect to the Transaction between the Company, MCP, Mr. Fujimura and the Offeror; discussed it internally; and stated its opinions to the Company several times that the requests should be made to MCP, Mr.

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Fujimura, and the Offeror to increase the Tender Offer Price and was thereby substantially involved in the negotiation process, until it received a proposal from the Offeror that the Tender Offer Price shall be 1,730 yen per share after the negotiation as described in “(2) Grounds and reasons of the opinion”, “(iii) Process and reasons of decision making of the Company to agree to the Tender Offer” above.

The Special Committee carefully examined and reviewed the Questions based on the process above and as a result, on February 3, 2022, it submitted the Written Response of the following details to the Company’s board meeting with the unanimous approval of all the committee members.

(a) Details of response

- a. It is believed that the Transaction contributes to the improvement of the Company’s corporate value and the purpose of the Transaction is valid and reasonable.
- b. It is believed that the fairness of the conditions of the Transaction including the Tender Offer Price is ensured.
- c. It is believed that the fairness is ensured with regard to the negotiation process and procedures leading to the decision-making regarding the Transaction.
- d. It is believed that the Transaction (including the decision in relation to the Company’s procedures of the Transaction) is not against the interest of the Company’s minority shareholders.
- e. Comprehensively considering (a) through (d) above, it is believed to be reasonable for the Company’s board meeting expressing its opinions in favor of the Tender Offer and recommending to the Company’s shareholders that they tender their shares in the Tender Offer.

(b) Reasons of response

- a. Validity and reasonableness of the purpose of the Company (including improvement of the Company’s corporate value through the Transaction)

Taking the following points into comprehensive consideration, it can be said that the Transaction will contribute to the improvement of the Company’s corporate value, and the purpose of the Transaction is valid and reasonable.

- According to the Company, the business environment for each group has been in a difficult situation due to the shrinking domestic textile production in the textile industry, increased price competition in the electronic materials industry, and the shrinking screen-printing industry. In addition, the provision of a wide range of products in response to specific customer’s request has led to increased production costs and difficulties in carrying out flexible research and development. The Company has not driven proactive capital investments and innovation of its business structure based on its policy that it must secure a certain level of profit as a listed company. On the other hand, MCP and Mr.

Fujimura are aware of the management issues such as the need to identify growth markets, increased competition for product development and human resources in the chemicals industry to which the Company belongs, and the need to allocate resources strategically, which has been insufficient due to the need to respond to customer's specific demands, and considers it necessary to take measures to expand into upstream and downstream areas, to form external alliances, including M&A, in existing business areas, and to improve productivity with regard to production systems and raw material procurement, as a new growth strategy. The Special Committee has not found any particular discrepancy between the Company, MCP and Mr. Fujimura's perceptions of the Company's business environment and management issues, nor have the Special Committee found any unreasonable points in any of their explanations.

- According to MCP and Mr. Fujimura, MCP and Mr. Fujimura envision steady development and expansion in existing business areas and the implementation of new growth measures by utilizing Mr. Fujimura's management skills, MCP's knowhow, knowledge, management resources and network, and the Company's advantages such as the ability to provide products and the ability to respond to customer's specific needs developed by the Company since its establishment, after the completion of the Transaction. The Company recognizes that each of the measures envisioned by MCP and Mr. Fujimura will contribute to the resolution of the Company's management issues and will enhance the Company's corporate value over the mid- to long-term, and the Special Committee also considers that it can affirm the rationality of the selection and content of these growth measures.
- According to the Company, MCP and Mr. Fujimura, each of the above measures will not necessarily work immediately and contribute to the Company's performance, but rather may cause deterioration in the Company's profit level and cash flows in the short-term with the increase in depreciation and payments for upfront investments due to capital expenditures and other upfront investments required for business expansion, and disadvantage to the Company's shareholders such as decline in the price of the Company's Shares in the short-term. There is nothing particularly unreasonable in these explanations, and it is considered that there is reasonableness in the judgment that it is necessary to establish a management system that can swiftly and flexibly execute each measure from a medium- to long-term perspective. In addition, it is considered that the MCP and Mr. Fujimura's implementation of the Transaction in the form of Management Buyout (MBO) with re-investment by Mr. Fujimura will enable the Company to make maximum use of management skills of Mr. Fujimura who is quite familiar with the Company's business, as well as MCP's resources and network, which will be beneficial to enhancement of the Company's corporate value.
- The Special Committee has examined the possible disadvantages of the



delisting of the Company's Shares as a result of the Transaction through interviews with the Company, MCP, and Mr. Fujimura, and have determined that the impact on business partners, future funding, the compliance system, future recruitment of personnel and existing employees are expected to be limited.

b. Fairness of the conditions of the Transaction (including the Tender Offer Price)

Taking the following points into comprehensive consideration, the conditions of the Transaction, including the Tender Offer Price, are considered to be fair.

- As a result of the Q&A session with YAMADA Consulting regarding the calculation of the value of the Company's Shares, no particularly unreasonable points were found in the selection of the calculation method by YAMADA Consulting or the calculation process using each calculation method. With respect to the Company's business plan used as a basis for the calculation of the DCF Analysis, based on the details of the sales plan (net sales) and operating income, as well as the hearing regarding the process of its preparation, no unreasonable points were found, especially from the viewpoint of the interests of the Company's general shareholders. Therefore, it can be said that the calculation results of the Company's Shares value by YAMADA Consulting are reasonable to a certain extent. The Tender Offer Price exceeds the upper bound of the calculation range of the market value analysis and the median of the calculation range of the DCF Analysis among the calculation results by YAMADA Consulting, and is considered to be at a reasonable level in light of such calculation results.
- Using February 3, 2022, the business day immediately preceding the announcement date of the Tender Offer, as the reference date, the Tender Offer Price is a price with a premium of 58.72 % (reference date), 59.01 % (most recent one month), 58.86 % (most recent three months) and 59.01 % (most recent six months) to the closing price of the Company's Shares on February 1, 2022, the most recent trade date of the reference date, simple average closing prices for the most recent one month, three months, and six months, respectively. Compared with the average premiums in similar cases referred to in the negotiation process between the Company and Mr. Fujimura and MCP, the level of premiums for the Tender Offer Price is considered to be reasonable. Although the Company has been negotiating with MCP and Mr. Fujimura based on the price book-value ratio (PBR) based on the proposed price, this was positioned as one of the negotiation points in order to maximize consideration for the interests of the Company's minority shareholders and to extract an increase in the purchase price as much as possible, and there is no particular contradiction between such negotiation stance and the fact that the net asset value analysis was not adopted by YAMADA Consulting.

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- The method and conditions of the Squeeze-out Process are also considered to be reasonable, as it can be said that consideration is given to the interests of the general shareholders who did not tender their shares in the Tender Offer.
- As described in c. below, fairness is considered to have been ensured in the negotiation process and the procedures leading to the decision-making regarding the Transaction, and it is recognized that the terms and conditions of the Transaction including the Tender Offer Price, have been determined through such fair procedures.

c. Fairness of the negotiation process and procedures leading to the decision-making regarding the Transaction

Taking the following points into comprehensive consideration, it is considered that fairness has been ensured in the negotiation process and procedures leading to the decision-making regarding the Transaction.

- In considering the Transaction, it is considered that the Company has established the Special Committee as part of the measures to ensure fairness. The Special Committee was established based on the content of the “M&A Guidelines”, with members who are independent of MCP, Mr. Fujimura and the Offeror, and at a reasonable time in practice. It is considered that, based on the authority granted by the board of directors of the Company, the Special Committee has sincerely examined and reviewed the purpose and conditions of the Transaction, and has been substantially involved in the negotiation process between the Company, Mr. Fujimura and MCP, and have functioned as an effective measure to ensure fairness.
- In order to ensure the fairness of the decision-making process related to the Transaction, the Company has received the Share Price Valuation Report from YAMADA Consulting, a financial adviser and third-party valuation institution and has received legal advice from City-Yuwa Partners, an independent legal advisor, regarding the decision-making process and methods of the Company’s board of directors in relation to the Transaction and other points to be considered in making decisions regarding the Transaction, including the Tender Offer.
- The directors of the Company who may have conflicts of interest with the Company in the Transaction are not scheduled to participate in the deliberations and resolutions of the board of directors of the Company, which will pass resolutions to express opinions, etc. on the Tender Offer, and have not participated in any deliberations or negotiations with MCP, Mr. Fujimura or the Offeror on behalf of the Company with respect to the Transaction.
- The Offeror has set a minimum number of shares to be purchased in the Tender Offer, and such minimum number of shares will exceed the number equivalent to a majority of the Company’s Shares held by the Company’s shareholders who have no interest in the Offeror, that is, the number

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equivalent to so-called “Majority of Minority”.

- In the Tender Offer, it is planned that the tender offer period will be set at 30 business days, which is longer than the minimum period of 20 business days stipulated by law. In addition, Mr. Fujimura decided to execute the Transaction with MCP which evaluates the Company at the highest price range in the proposal regarding the Tender Offer Price after implementing bidding procedure with several candidates including MCP as part of securing opportunities for competitive takeover proposals (market check) and receiving a proposal from potential acquirers other than MCP and comparing such proposals and the results of interviews with each company, and therefore, it is considered that Mr. Fujimura was proactively creating other transaction opportunities such as purchase of the Company’s Shares by parties other than MCP. Further, the Offeror and the Company have not entered into any agreement that will prevent the competing offeror from contacting the Company.
- It can be said that the Company plans to disclose in the press release concerning the Transaction information that is reasonable for the Company’s general shareholders to judge the appropriateness of the conditions of the Transaction.

- d. Whether the Transaction (including the Company’s decision relating to the procedures of the Transaction) is against the interest of minority shareholders of the Company

As described above, (a) it can be said that the Transaction will contribute to the improvement of the Company’s corporate value, and the purpose of the Transaction is considered to be valid and reasonable, (b) the conditions of the Transaction including the Tender Offer Price are considered to be fair, and (c) it can be said that fairness has been ensured in the negotiation process and procedures leading to the decision-making regarding the Transaction. Since there are no special circumstances that should be considered as disadvantageous to the Company’s minority shareholders other than the above considerations, it is considered that the Transaction (including the Company’s decision on the procedures for the Transaction) is not disadvantageous to the Company’s minority shareholders.

- e. Pros and cons of the Company’s board meeting expressing its opinion in favor of the Tender Offer and recommending to the Company’s shareholders that they tender their shares in the Tender Offer based on (a) through (d) above

Taking into comprehensive consideration (a) through (d) above, it is considered reasonable for the board of directors of the Company to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

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(ii) Obtainment of a share price valuation report by the Company from an independent third-party valuation institution

When stating its opinion in relation to the Tender Offer, in order to ensure the fairness of the decision-making regarding the Tender Offer Price offered by the Offeror, the Company requested YAMADA Consulting, the financial advisor and third-party valuation institution that is independent from the Offeror, the Company, MCP and Mr. Fujimura, to calculate the share value of the Company's Shares and obtained the Share Price Valuation Report on February 3, 2022. For the outline of the Share Price Valuation Report, please see "(3) Matters regarding calculation" above.

YAMADA Consulting is not a related party to the Offeror, the Company, MCP and Mr. Fujimura and has no material interest in the Transaction including the Tender Offer. Substantial part of the fees to be paid to YAMADA Consulting in relation to the Transaction shall be transaction fees the payment of which is conditional on the announcement of the Transaction and the completion of the Squeeze-out Process, and the Company selected YAMADA Consulting as its financial advisor and third-party valuation institution based on the above fee structure after considering general customary practices, etc. for same type of transactions. Further, during the first meeting, the Special Committee approved YAMADA Consulting as the Company's financial advisor and third-party valuation institution after confirming that there were no issues of its independence.

(iii) Advice to the Company from an independent legal advisor

In order to ensure the fairness and appropriateness of the decision-making process of the Company's board meeting in relation to the Transaction including the Tender Offer, the Company selected City-Yuwa Partners as a legal advisor independent from the Offeror, the Company, MCP and Mr. Fujimura and received necessary legal advice from the firm regarding the course and methods of the decision-making of the Company's board meeting and other matters to note relating to the Transaction including the Tender Offer.

City-Yuwa Partners is not a related party to the Offeror, the Company, MCP or Mr. Fujimura and has no material interest regarding the Transaction including the Tender Offer. Further, City-Yuwa Partners' fees for the Transaction shall be calculated by multiplying its hourly rates by the number of hours worked regardless of the success or failure of the Transaction, and contingency fees the payment of which is conditional on the announcement or closing of the Transaction are not included. During the first meeting, the Special Committee approved City-Yuwa Partners as the Company's legal advisor after confirming that there were no issues of its independence.

(iv) Unanimous approval by all of the Company's disinterested directors (including Audit and Supervisory Committee Members)

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The Company, taking into account the Share Price Valuation Report received from YAMADA Consulting and legal advice from City-Yuwa Partners and giving as much weight as possible to the Written Response submitted by the Special Committee, carefully discussed and examined the terms and conditions of the Transaction including the Tender Offer.

As a result, the Company determined that in light of (i) the prospect that the Transaction, including the Tender Offer, improves the corporate value of the Company by establishing a management structure that enables flexible and agile decision-making based on a medium- to long-term perspective without being concerned with short-term fluctuations in business performance too much, and by achieving the flexible and optimal distribution of management resources through proactive measures with the cooperation of MCP; and (ii) the results of the calculation in the Share Price Valuation Report, the premium level of the Tender Offer Price, the negotiation process with MCP, Mr. Fujimura and the Offeror, and the process of determining the Tender Offer Price, and so on, the Tender Offer Price and other conditions regarding the Tender Offer are reasonable to its shareholders; and the Tender Offer provides the Company's shareholders with reasonable opportunities to sell their shares, as stated in "(2) Grounds and reasons of the opinion", "(iii) Process and reasons of decision making of the Company to agree to the Tender Offer" above and adopted a resolution at its board meeting held today expressing its opinion in favor of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, with the unanimous approval of the Company's directors who participated in the deliberations and resolution (7 Directors (Mr. Yasuto Fukushima, Mr. Tokuzan Miyake, Mr. Teruo Furukawa, Mr. Masato Matsumura and Mr. Toru Watanabe, and Mr. Kenichi Nishikawa and Mr. Hirofumi Yoshida who are Audit and Supervisory Committee Members) other than Mr. Fujimura and Mr. Hisayoshi Tanaka).

As, among the Company's directors, Mr. Fujimura plans to invest in the Offeror, while continuing to be involved in the management of the Company after successful completion of the Tender Offer, and Mr. Hisayoshi Tanaka plans to provide services to Mr. Fujimura as a tax accountant after completion of the Transaction, with a view to avoiding suspicion of conflicts of interest, both of them did not participate in the deliberations or resolutions in the said board meeting and were not involved on the Company's side in the discussions or negotiations with MCP, Mr. Fujimura or the Offeror.

- (v) Setting the minimum number of shares to be purchased that exceeds the number equivalent to a majority of minority

The Offeror has set the minimum number of shares to be purchased in the Tender Offer at 2,984,800 shares (shareholding ratio: 47.44%), and if the total number of Tendered Shares is less than the minimum number of shares to be purchased (2,984,800 shares), the Offeror will not purchase any of the Tendered Shares. The minimum number of shares to be purchased, 2,984,800 shares (shareholding ratio: 47.44%), will exceed the number of shares equivalent to a majority of 4,878,285 shares (shareholding ratio:

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77.53%) (2,439,143 shares, shareholding ratio: 38.77%; this is the equivalent of the majority of the number of the Company's Shares held by the Company's shareholders who do not have an interest in the Offeror, i.e., so-called "majority of minority"). (the 4,878,285 shares stands for the total number of issued shares of the Company as of December 31, 2021 as stated in the Company's Financial Summary (6,992,000 shares), less the number of treasury shares held by the Company as of the same date (699,882 shares), the Mr. Fujimura's Tendering Shares (number of shares: 203,100 shares; shareholding ratio: 3.23%), GOO Sangyo's Non-Tendering Shares (number of shares: 1,210,000 shares; shareholding ratio: 19.23%) and the number of shares of the Company indirectly held by Mr. Fujimura through the officers' stock ownership association of the Company (number of shares: 733 shares; shareholding ratio: 0.01%). Accordingly, if the Offeror is unable to obtain the approval of the majority of the Company's shareholders other than those who have interest in the Offeror, the Offeror will not conduct the Transaction (including the Tender Offer) respecting the intention of the minority shareholders of the Company.

(vi) Ensuring of objective circumstances to ensure fairness of the Tender Offer

The Offeror has set as the Tender Offer Period a period of 30 business days, whereas the statutory minimum period is 20 business days. By setting a comparatively long period as the Tender Offer Period, the Offeror intends to ensure an appropriate Tender Offer Price by securing for the Company's shareholders an appropriate opportunity for decision-making regarding tendering shares in the Tender Offer and securing an opportunity for counterbidders to make counteroffer etc. for the Company's Shares.

In addition, as stated in "A. Background to the decision to implement the Tender Offer" of "(ii) Background to, and objectives and decision-making process leading to the decision to implement the Tender Offer and management policy after the Tender Offer" of "(2) Grounds and reasons of the opinion" above, as part of securing opportunities for making a counterbid (market check), Mr. Fujimura conducted a bidding process for several candidates, including MCP, and received proposals from candidates other than MCP, and through comparison of such proposals and the results of interviews with each company, Mr. Fujimura decided to conduct the Transaction with MCP, who evaluated the Company at the highest price in both the maximum and the minimum price, and is actively creating the opportunities for parties other than MCP to purchase or otherwise trade the Company's Shares. Furthermore, the Offeror and the Company have not entered into any agreement that restricts counterbidders from contacting the Company, such as an agreement containing a deal protection provision that prohibits the Company from contacting any counterbidder or restrictions that prevent the Company from withdrawing its statement of opinion in favor of the Tender Offeror. In this way, together with the setting of the Tender Offer Period above, consideration is being given to ensuring the fairness of the Tender Offer by securing the opportunities for counterbids.

4. Matters Concerning Material Agreements between the Offeror and the Company's

(Translation)

Shareholders, Directors, etc. regarding the Application for the Tender Offer

(i) Tender Offer Agreement

The Offeror has entered into an agreement with Mr. Fujimura as of today, and agreed to tender Mr. Fujimura's Tendering Shares (203,100 shares, Shareholding Ratio: 3.23%) into the Tender Offer, except where the Company passes a resolution on non-approval of the Tender Offer or where the Company revokes its approval of the Tender Offer. The Tender Offer Agreement does not provide for the conditions precedent to the above tendering. Even if the Company passes a resolution of the board of directors on non-approval of the Tender Offer or if the Company revokes its approval of the Tender Offer, Mr. Fujimura will not be restricted from tendering for the Tender Offer at his discretion.

(ii) Non-tender Agreement

The Offeror has made an agreement with GOO Sangyo as of today, and it was agreed that GOO Sangyo will not to tender GOO Sangyo's Non-Tendering Shares (1,210,000 shares, Shareholding Ratio: 19.23%) into the Tender Offer, or will not transfer, establish a security interest on, or otherwise dispose of the same to any third party, or will not acquire the Company's Shares. The Non-tender Agreement does not provide for the conditions precedent to the performance of the above obligations of GOO Sangyo or any termination event.

(iii) Share Transfer Agreement

The Offeror and Mr. Fujimura have entered into the Share Transfer Agreement as of today, and Mr. Fujimura has agreed to sell to the Offeror all of the GOO Sangyo's Shares held by him and the Offeror has agreed to purchase the same as of the commencement date of settlement of the Tender Offer under the Share Transfer Agreement.

The performance of Mr. Fujimura's obligation to transfer GOO Sangyo's Shares to the Offeror under the Share Transfer Agreement is conditional on the fact (i) that the representations and warranties of the Offeror under the Share Transfer Agreement are true and correct in material respects (*Note 1*), (ii) that the Offeror has performed or complied with its obligations under the Share Transfer Agreement in material respects (*Note 2*), and (iii) that the Tender Offer has been completed successfully.

(*Note 1*) Under the Share Transfer Agreement, the Offeror made the following representations and warranties as of the date of execution of the Share Transfer Agreement and the date of commencement of settlement of the Tender Offer: (a) that the Offeror is duly and validly incorporated, is in existence, and is authorized, (b) that the Offeror has the authority and

(Translation)

power to execute and perform the Share Transfer Agreement, (c) the enforceability of the Share Transfer Agreement, (d) that the execution and performance of the Share Transfer Agreement by the Offeror do not conflict with laws and regulations, (e) that the Offeror has obtained the permissions and authorizations, etc. under laws and regulations required for the execution or performance of the Share Transfer Agreement, (f) that the Offeror is not anti-social forces, and (g) that the Offeror is not subject to insolvency procedures under law.

(Note 2) Under the Share Transfer Agreement, the Offeror assumes, (a) other than its obligation to receive GOO Sangyo's Shares, (b) the Offeror's obligations under the Share Transfer Agreement or the obligation to compensate for the damages incurred by Mr. Fujimura arising out of or in connection with any breach of the Offeror's representations and warranties set forth in (Note 1) above, and (c) the confidentiality obligations and other obligations based on the general provisions of the Share Transfer Agreement.

Furthermore, the performance of the Offeror's obligation to acquire GOO Sangyo's Shares from Mr. Fujimura under the Share Transfer Agreement is conditional on the fact (i) that the Mr. Fujimura's representations and warranties under the Share Transfer Agreement are true and correct in material respects (Note 3), (ii) that Mr. Fujimura has performed or complied with his obligations under the Share Transfer Agreement in material respects (Note 4), (iii) that the Tender Offer has been completed successfully, (iv) that an agreement on the transfer of GOO Sangyo's assets has been executed by and between Mr. Fujimura and GOO Sangyo and is validly existing, and there are no circumstances that serve as a basis for its termination, cancellation, invalidity, etc., and (v) that GOO Sangyo's general meeting of shareholders has approved the transfer of GOO Sangyo's Shares.

(Note 3) Under the Share Transfer Agreement, Mr. Fujimura made the following representations and warranties: (a) Mr. Fujimura's legal capacity to hold rights, mental capacity, and legal capacity to act, (b) the enforceability of the Share Transfer Agreement, (c) that the execution and performance of the Share Transfer Agreement by Mr. Fujimura do not conflict with laws and regulations, (d) that Mr. Fujimura has obtained the permissions and authorizations, etc. under laws and regulations required for the execution or performance of the Share Transfer Agreement, (e) Mr. Fujimura's right to GOO Sangyo's Shares, (f) that Mr. Fujimura is not anti-social forces,



(Translation)

(g) that Mr. Fujimura is not subject to insolvency procedures under law, (h) that GOO Sangyo is duly and validly incorporated, is in existence, and is authorized, (i) the ownership of GOO Sangyo's Shares and the fact that there are no encumbrances such as security interest in respect of GOO Sangyo's Shares, (j) that GOO Sangyo has no assets other than GOO Sangyo's Non-Tendering Shares, cash and deposits, and loan claims, (k) that GOO Sangyo has no debts other than its borrowings, (l) that GOO Sangyo is not anti-social forces, (m) that there are no pending litigations, etc. in respect of GOO Sangyo, (n) that GOO Sangyo is not subject to insolvency procedures under law, (o) that GOO Sangyo has no subsidiaries or affiliates, (p) the adequacy of tax returns and payments by GOO Sangyo, and (q) the correctness of the disclosed information.

(Note 4) Under the Share Transfer Agreement, Mr. Fujimura assumes, (a) other than his obligation to transfer GOO Sangyo's Shares to the Offeror, (b) the duty of care of a prudent manager with respect to GOO Sangyo's execution of operations, (c) the obligation to pay the debt obligations to GOO Sangyo, (d) the obligation to submit to GOO Sangyo a notice of the effect that he will resign as director of GOO Sangyo on the date of settlement of the Tender Offer, (e) the obligation not to terminate or amend the agreement by and between Mr. Fujimura and GOO Sangyo on the transfer of GOO Sangyo's assets, (f) Mr. Fujimura's obligations under the Share Transfer Agreement or the obligation to compensate for the damages incurred by the Offeror arising out of or in connection with any breach of Mr. Fujimura's representations and warranties set forth in (Note 3) above, and (g) the confidentiality obligations and other obligations based on the general provisions of the Share Transfer Agreement.

The purchase price of GOO Sangyo's Shares paid to Mr. Fujimura under the Share Transfer Agreement is: (i) the amount obtained by multiplying the number of GOO Sangyo's Non-Tendering Shares by the Tender Offer Price, deducted by (ii) the total amount of the principal and interest of the borrowings by GOO Sangyo as of the commencement date of settlement of the Tender Offer, plus (iii) the cash and deposits and the total amount of the principal and interest of the loan claims held by GOO Sangyo as of the commencement date of settlement of the Tender Offer.

(iv) Master Agreement

MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura has entered into the Master Agreement as of today which includes the following with regard

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to the terms of the Transaction:

- A. MCP5 Investment Business Limited Liability Partnership ensures that the Offeror commences the Tender Offer as part of the Transaction in accordance with the conditions of the Tender Offer specified in the Master Agreement;
- B. Mr. Fujimura enters into to the Tender Offer Agreement and tenders Mr. Fujimura's Tendering Shares into the Tender Offer;
- C. Mr. Fujimura ensures that GOO Sangyo enters into the Non-tender Agreement, and that GOO Sangyo does not tender GOO Sangyo's Non-Tendering Shares into the Tender Offer;
- D. MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura successively carry out each of the series of transactions of the Transactions (the Investment, the Transfer of Shares, the Squeeze-out Process, the Reinvestment, and the Merger), or cause the same to be carried out, after the successful completion of the Tender Offer, and
- E. MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura enter into the Shareholders Agreement.

(v) Shareholders Agreement

MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura entered into the Shareholders Agreement as of today with regard to their claims as shareholders of the Offeror after the Reinvestment and as shareholders of the Company after the Merger, which contains (i) a clause on restriction on transfer under which they may not transfer the Offeror's shares (after the Merger, the Company's Shares) held by them to any third party except to their associates without the prior consent of the other party, (ii) a clause on the rights of first refusal of MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura (the right of the counterparty to the party who desires such transfer to purchase the Offeror's Shares (after the Merger, the Company's Shares) held by such party who desires the transfer under the same conditions as those desired by such party) and the tag along rights of MCP5 Investment Business Limited Liability Partnership and Mr. Fujimura (the right of the counterparty to the party who desires such transfer to request such party who desires the transfer to cause such third party to purchase the Offeror's Shares (after the Merger, the Company's Shares) held by such counterparty simultaneously with and under the same conditions as those of such transfer) and a clause on the drag along right of MCP5 Investment Business Limited Liability Partnership (the right of MCP5 Investment Business Limited Liability Partnership to request Mr. Fujimura to sell the Offeror's Shares (after the Merger, the Company's Shares) held by Mr. Fujimura to such third party simultaneously with and under the same conditions as those of such transfer), in the case where the Offeror's shares (after the Merger, the

(Translation)

Company's Shares) held by them are transferred to a third party, and (iii) a clause on confidentiality obligations and other general provisions.

(vi) Reinvestment Agreement

The Offeror has made an agreement with Mr. Fujimura as of today that, on the date of completion of the Squeeze-out Process, Mr. Fujimura makes a 20% investment in the Offeror by subscribing for the common shares of the Offeror, subject to completion of the Squeeze-out Process.

5. Details of the Provisions of Benefits by the Offeror or its Special Related Parties

Not applicable.

6. Measures regarding the Basic Policy on Control of the Company

Not applicable.

7. Questions to the Offeror

Not applicable.

8. Request for Extension of the Tender Offer Period

Not applicable.

9. Future Outlook

Please refer to “(2) Grounds and reasons of the opinion”, “(ii) Background to, and objectives and decision-making process leading to the decision to implement the Tender Offer and management policy after the Tender Offer”; “(4) Policy regarding reorganization, etc., following completion of the Tender Offer (so-called “two-step acquisition”)”; and “(5) Prospects for delisting and its reasons ” in “3. Details, Grounds and Reasons of the Opinion regarding the Tender Offer” above.

10. Other Information

(1) Release of “March 2022 Fiscal Year Third Quarter Financial Results (Japanese GAAP) (Consolidated)”

The Company releases the Company's Summary Financial Results as of today. For more detail, please refer to the detail of the release.

(2) Release of “Announcement Regarding the Revision of the Year-End Dividend Forecast for Fiscal Year Ending March 2022 (No Dividend)”

As stated in “Announcement Regarding the Amendment (No Dividend) on the Year-End Dividend Forecast of March 2022 Fiscal Year”, the Company resolved at its board meeting held today that it will amend the dividend forecast of March 2022 Fiscal Year

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released on May 14, 2021 and will not distribute end of term dividends for the Fiscal Year ending March 2022 on condition that the Tender Offer is successfully completed. For more detail, please refer to the detail of the release.

End

(Reference) “Notice Concerning Commencement of Tender Offer for Share Certificates of GOO CHEMICAL CO., LTD. (Securities Code: 4962)” dated February 4, 2022 (attached)

(TRANSLATION)

February 4, 2022

To whom it may concern:

Company Name:	GC Holdings Co., Ltd.
Name of Representative:	Wataru Kojima Representative Director

Notice Concerning Commencement of Tender Offer for Share Certificates of  
GOO CHEMICAL CO., LTD. (Securities Code: 4962)

GC Holdings Co., Ltd. (the "Offeror") hereby announces that on February 4, 2022, it has decided to acquire the common shares (the "Target's Shares") of GOO CHEMICAL CO., LTD. (Securities Code: 4962, listed on the Tokyo Stock Exchange, Inc. (the "TSE"), Second Section; hereinafter the "Target") through tender offer (the "Tender Offer") pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

The Offeror is a stock company incorporated on January 14, 2022 for the primary purpose of holding the Target's Shares and to control and manage the Target's business activities. As of today, all of the Offeror's issued shares are directly held by MCP5 Investment Business Limited Liability Partnership, a fund in which MCP Capital Co. Ltd. (hereinafter referred to as "MCP" collectively with MCP Partners Co., Ltd. that holds all of the issued shares of MCP Capital Co., Ltd.) invests in and provides services to concerning relevant operations. As of today, MCP, MCP5 Investment Business Limited Liability Partnership, and the Offeror do not own any of the Target's Shares.

MCP, since the incorporation of MCP Partners Co., Ltd. on February 22, 2000, has been providing services of private equity investment and related operations. Over the recent 21 years, MCP has, through the funds to which it provides services to, made a total of 34 investments such as in JAPAN PURE CHEMICAL CO., LTD., JCU Corporation (formerly EBARA UDYLITE CO., LTD.), SDS Biotech K.K., OAT Agrio Co., Ltd., NOMURA CORPORATION, TDM, Co. Ltd., New-Quick CO. LTD., NISSEI Limited, TAKASAKIJIMUKI Corporation, KOMINE CO., LTD., and JAPAN HOME SHIELD CORPORATION. MCP has a goal to achieve growth of small to medium-sized companies by not only providing financing solution but by providing management advisory support based on a middle to long-term perspective on various issues faced by the companies and aims to enhance corporate value together with the invested companies.

The Offeror has decided to conduct this Tender Offer to acquire all of the shares of the Target listed on the second section of the TSE (excluding the treasury shares held by the Target and the Target's Shares held by GOO Sangyo Co., Ltd. ("Goo Sangyo ") (Number of shares held: 1,210,000 shares, Shareholding Ratio (Note 1): 19.23%) (the "GOO Sangyo's Non-Tendering Shares"), a company which all of its issued shares (excluding the treasury shares) are held by Mr. Haruki Fujimura ("Mr. Fujimura"), President and Representative Director of the Target, and which manages the assets of the Target, and is the largest shareholder of the Target) as part of the series of transactions to take the Target's Shares private.

(Note 1): "Shareholding Ratio" refers to the ratio (rounded to the second decimal place) against 6,292,118 shares, i.e., the total number of issued shares (6,992,000 shares) as of December 31, 2021 indicated in the Target's Financial Summary for the 3rd Quarter of the Fiscal Year Ending in March 2022 (JGAAP) (consolidated) announced by the Target on February 4, 2022 less the number of treasury shares (699,882 shares) held by the Target as of December 31, 2021).

The Transaction is conducted as part of the so-called Management Buyout (MBO) (Note 2), which is conducted for the purpose of friendly acquisition of all of the Target's Shares (excluding the treasury shares held by the Target and the GOO Sangyo's Non-Tendering Shares) and is supported by the Target's board of directors. Also, Mr. Fujimura (Number of shares held: 203,100 shares (Note 3), Shareholding Ratio: 3.23%) is scheduled to continue to assume management of the Target after the Tender Offer is successfully completed. To cause Mr. Fujimura to share a common goal with the Offeror to enhance the corporate value, the Offeror and Mr. Fujimura executed an investment agreement on February 4, 2022, pursuant to which, on condition that the series of transactions to be executed after the successful completion of the Tender Offer to cause the Offeror and GOO Sangyo to be the sole shareholders of the Target and to take the Target's Share private (the "Squeeze-out Process") is completed, Mr. Fujimura will invest 20% in the Offeror.

(Note 2) "Management Buyout (MBO)" refers to a transaction in which the offeror carries out a tender offer based on an agreement with the officers of the target, and shares a common interest with such officer of the target.

(Note 3) Mr. Fujimura indirectly holds the Target's Shares equivalent to 733 shares (fractional shares discarded) as his equity ownership through the Target's officers' stock ownership association. However, the above number of shares held by Mr. Fujimura (203,100 shares) does not include 733 shares of the Target's Shares indirectly held by him through the above officers' stock ownership association.

The Outline of the Tender Offeror is as follows.

- (1) Name of the Target:

GOO CHEMICAL CO., LTD.

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

Common shares

- (3) Tender offer period:

From February 7, 2022 (Monday) through March 23, 2022 (Wednesday) (30 business days)

- (4) Price of tender offer:

JPY 1,730 per common share

- (5) Number of share certificates, etc. to be purchased:

Type of share certificates, etc.	Number of shares scheduled to be purchased	Minimum number of shares scheduled to be purchased	Maximum number of shares scheduled to be purchased
Common shares	5,082,118 shares	2,984,800 shares	- shares
Total	5,082,118 shares	2,984,800 shares	- shares

- (6) Commencement date of settlement:

March 30, 2022 (Wednesday)

- (7) Tender offer agent:

Nomura Securities Co., Ltd.

13-1, Nihombashi 1-chome, Chuo-ku, Tokyo

For specific details of the Tender Offer, please refer to the Tender Offer Statement to be filed by the Offeror in connection with the Tender Offer on February 7, 2022.

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 or solicitation to sell, or solicitation of an offer to 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.

**[U.S. Regulations]**

The Tender Offer will be implemented in compliance with the procedures and information disclosure standards that are stipulated by the Financial Instruments and Exchange Act of Japan but these procedures and standards are not necessarily the same as those of the U.S. In particular, the Securities Exchange Act of 1934 of the U.S., Article 13 (e) and Article 14 (d) and the rules stipulated thereunder do not apply to the Tender Offer and the Tender Offer are not in accordance with these procedures and standards.

All procedures concerning the Tender Offer shall be conducted in Japanese unless otherwise indicated. All or part of the documents concerning the Tender Offer will be prepared in English, however, if any inconsistency arises between such English document and the Japanese documents, the Japanese document shall prevail.

**[Forward-looking statements]**

This Press Release contains forward-looking statements defined in Article 27A of the U.S. Securities Act of 1933 (as amended) and Article 21E of the U.S. Securities Act of 1934. Actual results may be significantly different from the forecasts expressly indicated or implied as “forward-looking statements” due to known or unknown risks, uncertainties, and other factors. The Offeror, the Target, or their affiliate cannot promise that forecasts expressly indicated or implied as “forward-looking statements” will turn out to be correct. The “forward-looking statements” in this Press Release were prepared based on information held by the Offeror and the Target as of the date of this Press Release and unless obligated by laws, the Offeror, Target, or their affiliate shall have no obligation to update or revise such description to reflect such future events or circumstances. All financial information in this Press Release are based on Japanese Generally Accepted Accounting Principals ("J-GAAP"), which may significantly be different from the generally accepted accounting standards of the US or other countries. The Offeror and the Target are companies incorporated outside of the U.S. and as some or all of their officers are not U.S. residents, it may be difficult to exercise the rights and demands that arise under U.S. securities laws. It might not be possible to file legal procedures



in courts outside of the U.S, towards non-U.S. companies and its officers on grounds of breach of U.S. securities laws. In addition, jurisdiction of the U.S. courts might not be admitted towards non-U.S. companies and such companies' subsidiaries and affiliates.

The Offeror, the respective financial advisor of the Offeror and the Target, and the Tender Offer Agent (including their related parties) may, within their ordinary course of business, purchase, or conduct any act toward the purchase of, the shares of the Target for their own account or for their customers' accounts outside the Tender Offer prior to the commencement of the Tender Offer or during the Tender Offer in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act of 1934 of the U.S. to the extent permitted under the Financial Instruments and Exchange Act and other applicable laws and regulations in Japan. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will be made in English on the website of the person who made such purchase (or other disclosing methods.)

**[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, issue or distribution of this Press Release shall not be interpreted as an offer to purchase or solicitation of an offer to sell shares concerning the Tender Offer, but simply as a distribution of information.