

**TENDER OFFER**  
**EXPLANATORY STATEMENT**

August 2022

EV O FUND LLC  
(Target: Red Planet Japan, Inc.)

[Name of the filing party (offeror)]	EV O FUND LLC
[Address of the filing party (offeror)]	1209 Orange Street, Wilmington, Delaware, 19801, in the Country of New Castle, United States of America
[Closest contact place]	N/A
[Telephone number]	Same as above
[Name of contact person]	Same as above
[Name of attorney-in-fact]	Evolution Japan Securities Co., Ltd. Shaun Lawson, Representative Director and President
[Address of attorney-in-fact]	4-1 Kioi-cho, Chiyoda-ku, Tokyo New Otani Garden Court 12F
[Closest contact place]	Same as above
[Telephone number]	03-4510-3350
[Name of contact person]	Masanobu Tsujiie
[Place where a copy of this statement is kept for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

(Note 1) In this Statement, "Offeror" means EV O FUND LLC.

(Note 2) In this Statement, "Target" means Red Planet Japan, Inc..

(Note 3) Where the figures in this Statement have been rounded or truncated, the amount recorded in the relevant "total" column may not always be equal to the sum of the relevant figures.

(Note 4) In this Statement, "Act" means the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

(Note 5) In this Statement, "Enforcement Order" means the Enforcement Order of the Financial Instruments and Exchange Act (Government Ordinance No. 321 of 1965, as amended).

(Note 6) In this Statement, "TOB Order" means the Cabinet Office Ordinance on Disclosure of Takeover Bids of Shares Conducted by Non-Issuers (Ministry of Finance Japan Ordinance No. 38 of 1990, as amended).

(Note 7) In this Statement, "Shares, Etc." means rights pertaining to shares.

(Note 8) In this Statement, a "business day" means a day other than a day as specified in each item of Article 1, Paragraph 1 of the Act Concerning Public Holidays of Administrative Organs (Act No. 91 of 1988, as amended).

(Note 9) Unless otherwise described in this Statement, any reference to the number of days or the date and time shall mean the number of days or the date and time in Japan.

(Note 10) In this Statement, "Tender Offer" means the tender offer in connection with the filing of this Statement.

(Note 11) The Tender Offer is to acquire common shares and stock acquisition rights of the Target, which is a company incorporated in Japan, and the Target's common shares are listed on the Standard

Market of the Tokyo Stock Exchange, Inc. ("TSE"). The Tender Offer will be conducted in compliance with the procedures and related disclosure standards set forth under the laws of Japan, which are not necessarily the same as the procedures and standards in the United States of America ("U.S."). In particular, the provisions of Article 13 (e) or Article 14 (d) of the U.S. Securities Exchange Act of 1934 and the related rules that are provided thereunder do not apply to the Tender Offer, and the Tender Offer is not carried out in compliance with these procedures and standards. With respect to the financial information contained in this Statement, the financial statements of the Offeror is prepared based on the U.S. accounting standards. However, any other financial information is based on the International Financial Reporting Standards (IFRS) and is not based on the Generally Accepted Accounting Principles in the U.S. ("U.S. GAAP") accounting standards, and the financial statements may differ from those prepared under the U.S. GAAP.

(Note 12) Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in Japanese. All or any part of the document related to the Tender Offer is prepared in the English language and if there is any inconsistency between the English-language documentation and the Japanese-language documentation, the Japanese-language documentation shall prevail.

(Note 13) The statements in this Statement include "forward-looking statements" (which mean any statements with any term concerning future and include terms such as "believe," "anticipate," "plan," "schedule," "project," "estimate," "expect," "intend," and the like, and the negative of these words; forward-looking statements include arguments concerning policies). The results may significantly differ from the predictions explicitly or implicitly indicated as "forward-looking statements" due to various risks or uncertainties (which also include matters that may not be controllable or foreseeable for the Offeror). Neither the Offeror nor any of its affiliates assures that such explicit or implicit forecasts given as "forward-looking statements" will be realized. The "forward-looking statements" in this Statement were prepared based on the information, plans or ideas held by the Offeror as of the date of filing of this Statement, and unless required by laws or the rules of a financial instrument exchange, the Offeror or its affiliates are not obliged to update or modify such statements in order to reflect any event or condition or occurrence of any unexpected event in the future.

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# **PART I. Terms and Conditions of Tender Offer**

## **1. Name of the Target**

Red Planet Japan, Inc.

## **2. Class of Shares to be Purchased**

(i) Common shares

(ii) Stock acquisition rights:

5th Series Stock Acquisition Rights issued pursuant to the resolution of the Target's board of directors meeting held on February 24, 2015 (the "SARs") (Exercise period: from March 12, 2015 to March 11, 2023)

## **3. Purposes of Tender Offer**

### **(1) Overview of the Tender Offer**

The Offeror is a limited liability company established under the state laws of Delaware, U.S. on March 18, 2021, that intends to engage in any lawful act or activity and to exercise the powers permitted to limited liability companies organized under the laws of the State of Delaware (the "limited liability company"). With the purpose of making the Target a consolidated subsidiary of the Offeror, through the Tender Offer, the Offeror intends to acquire and own 40,692,453 shares, which are all of the common shares of the Target, a company listed on the Standard Market of the TSE (the "Target's Common Shares") held by Red Planet Holdings Pte. Ltd. ("RPHP"), the parent company of the Target (Shareholding Ratio (Note 1): 70.50%) (the "Shares to be Tendered by RPHP") and 54,500 units of SAR (for 545,000 Target's Common Shares) (The number of shares to be owned by the Offeror when adding 545,000 Target's Common Shares underlying the SARs will be 41,237,483 shares (Shareholding Ratio: 71.45%)). As of the date of filing of this Statement, the Offeror owns no share of Target's Common Shares and the Tender Offer will be the Offeror's first investment. As of the date of filing of this Statement, the sole equity member of the Offeror is EVO FUND ("EVO FUND") which is established under the laws of Cayman Islands in December 2006. EVO FUND is entirely owned (direct and indirect interests combined) by the founder and representative of Evolution Financial Group (Note 2), Michael Lerch ("Mr. Lerch"), who is also an officer and director of EVO FUND. The Offeror, EVO FUND and other Evolution Financial Group member companies own only 30 Target's Common Shares (Shareholding Ratio: 0.00%).

(Note 1) The "Shareholding Ratio" refers to the ratio (rounded to the second decimal place; the same shall apply hereinafter) towards 57,718,487 shares, which represent (i) the total number of outstanding Target's Common Shares as of June 30, 2022 (57,192,187 shares), as stated in its second Quarterly Report for its 24th fiscal year (from April 1, 2022 to June 30, 2022) filed by the Target on August 15, 2022 (the "Quarterly Report"), *plus* (ii) the total number of shares underlying the SARs remaining as of August 19, 2022 (54,500 units of SAR for 545,000 shares in total), resulting in 57,737,187 shares, *less* the number of treasury shares owned by the Target as of July 30, 2022 (18,700 shares).

(Note 2) Evolution Financial Group is wholly owned by Mr. Lerch directly or indirectly through a holding company, and as of the date of filing of this Statement, is a group consists of 7 companies, including 5 companies which are namely, Evolution Japan Asset Management Co., Ltd., a Japanese operating company, whose entire shares are directly owned by Tiger Inn Enterprises Limited, a holding company indirectly wholly owned by Mr. Lerch; Evolution Japan Securities

Co., Ltd.; EVOLUTION RESEARCH INSTITUTE Co., Ltd.; Evolution Capital Management LLC, an asset management company in the United States in which Mr. Lerch directly owns its entire shares; and Evo Capital Management Asia Limited (Hong Kong), a subsidiary of Evolution Capital Management LLC; and 2 investment companies which are namely, EVO FUND and Evo Absolute Return Fund.

Evolution Financial Group was founded in 2001 and maintains an integrated suite of financial businesses including EVOLUTION JAPAN SECURITIES Co, Ltd., an investment bank, and the development and sales of financial IT systems. EVOLUTION JAPAN SECURITIES Co., Ltd. is focused on delivering tailor-made financing structures including equity offerings, debt issuance, and derivative transactions to our clients in the areas of financial business, where the Offeror believes it has assembled best-in-class teams of market professionals. In parallel with this, Evolution Financial Group conducts various securities transactions in Japan through EVO FUND. EVO FUND conducts its investment activities in the Japanese markets primarily through its affiliate Evolution Japan Asset Management Co., Ltd. (4-1 Kioi-cho, Chiyoda-ku, Tokyo; Representative Director: Kazuko Miyashita). EVOLUTION RESEARCH INSTITUTE Co., Ltd., provides research and consulting services related to the economy, financial markets, capital markets, commodity markets, and corporations, as well as advertising services, consulting services related to information systems, and maintenance and operation services. In addition, Evolution Capital Management LLC of the United States and Evo Capital Management Asia Limited (Hong Kong), a subsidiary of Evolution Capital Management LLC, provide investment management services to institutional investors. As of the date of filing of this Statement, except for the Tender Offer, the Offeror has not engaged in any investment activities.

EVO FUND supports the Target and Target's parent company, RPHP, through the execution of capital transactions in which it subscribed for Target's Common Shares and share acquisition rights issued by the Target for compensation and, during the period from May 2, 2016 through March 11, 2022, it subscribed for Target's share acquisition rights and acquired Target's Common Shares by exercising the Target's share acquisition rights, and also borrowed and returned Target's Common Shares from RPHP or financial institutions to hedge the risk associated with the share acquisition rights. As a result, there remained 30 fractional shares (Shareholding Ratio: 0.00%) in EVO FUND that could not be sold on the market, and EVO FUND now owns 30 Target's Common Shares (Shareholding Ratio: 0.00%) as of the date of filing of this Statement. The following table shows respective acquisitions and disposals of Target's Common Shares or share acquisition rights by EVO FUND:

Date	Total number of outstanding shares	Acquisition		Disposal		Number of Shares Owned (Ownership Ratio)		Remarks
		Shares	Stock acquisition rights	Shares	Stock acquisition rights	Shares	Stock acquisition rights	
August 5, 2014	199,570,337 shares	100,000 shares				100,000 shares (Ownership Ratio: 0.05%)	0	Borrowed 100,000 shares from a foreign bank
May 2, 2016	199,570,337 shares	24,393,000 shares				24,493,000 shares (Ownership Ratio: 12.27%)	0	Borrowed 24,393,000 shares from RPHP
May 2, 2016	199,570,337 shares		6,500,000 shares			24,493,000 shares (Ownership	6,500,000 shares	Acquired 65,000 units of the 4th series stock acquisition rights by

						Ratio: 12.27% )		gift from a Target's director
	199,570,337 shares		243,903,000 shares			24,493,000 shares (Ownership Ratio: 12.27% )	250,403,000 shares	Acquired 243,903 units of the 6th series stock acquisition rights from RPHP
July 29, 2016	199,570,337 shares				6,500,000 shares	24,493,000 shares (Ownership Ratio: 12.27% )	243,903,000 shares	65,000 units of the 4th series stock acquisition rights extinguished upon expiration of the exercise period
September 13, 2016	199,570,337 shares			24,393,000 shares		100,000 shares (Ownership Ratio: 0.05% )	243,903,000 shares	Returned borrowed shares to RPHP
September 28, 2016 - September 30, 2016	199,570,337 shares	458,000 shares				30,000 shares (Ownership Ratio: 0.02% ) (as of September 30, 2016)	243,903,000 shares (as of September 30, 2016)	Borrowed 150,000 shares, 268,000 shares, and 40,000 shares (458,000 shares in total) from 1 foreign bank over 3 days
	199,570,337 shares			528,000 shares				Sold 250,000 shares, 248,000 shares, 30,000 shares (528,000 shares in total) on the market over 3 days
September 27, 2016	267,570,337 shares				243,903,000 shares	30,000 shares (Ownership Ratio: 0.01% )	0	Sold to the Target
October 13, 2016	267,570,337 shares		40,000,000 shares			30,000 shares (Ownership Ratio: 0.01% )	40,000,000 shares	Subscribed for 400,000 units of the 7th series stock acquisition rights
October 19, 2016 - April 20, 2018	307,570,337 shares (as of April 20, 2018)	40,000,000 shares			40,000,000 shares	32,570,000 (Ownership Ratio: 10.59% ) (as of April 20, 2018)	0 (as of April 20, 2018)	Exercised 400,000 units of the 7th series stock acquisition rights (Exercised 11 times in total from October 19, 2016 to April 20, 2018)
		32,012,000 shares						Borrowed 11,500,000 shares and 20,000,000 shares (3,150,000 shares in total) from RPHP on May 14, 2017 and January 30, 2018, respectively; and

								borrowed 200,000 shares and 292,200 shares from 2 foreign banks, respectively, on November 28, 2017, and borrowed 19,800 shares from 1 foreign bank on January 18, 2018 (512,000 shares in total).
				39,472,000 shares				Sold on the market (a total of 102 sales from October 25, 2016 to April 20, 2018)
May 1, 2018	307,570,337 shares		40,000,000 shares			32,570,000 shares (Ownership Ratio: 10.59%)	40,000,000 shares	Acquired 400,000 units of the 7th series stock acquisition rights from RPHP by gift
May 8, 2018 - April 4, 2019	561,094,874 shares (as of April 4, 2019)	60,000 shares				28,910,300 shares (Ownership Ratio: 5.15% ) (as of April 4, 2019)	40,000,000 shares (as of April 4, 2019)	Borrowed 60,000 shares from 1 foreign bank on April 2, 2019
				782,000 shares				Returned borrowed shares of 600,000 shares, 158,000 shares and 24,000 shares (782,000 shares in total) to 1 foreign bank on July 6, 2018, April 2, 2019 and April 4, 2019, respectively
		100,000 shares						Purchased 100,000 shares on the market on June 20, 2018
				3,037,700 shares				Sold on the market (a total of 12 sales from May 8, 2018 to December 17, 2018)
July 10, 2019	56,109,487 shares					2,891,030 shares (Ownership Ratio: 5.15%)	4,000,000 shares	Share consolidation at a ratio of one (1) share for every ten (10) shares of the Target's Common Shares
July 9, 2019	56,309,487 shares				4,000,000 shares	2,891,030 shares (Ownership Ratio: 5.15%)	0	Waived 400,000 units of the 7th series stock acquisition rights



July 10, 2019	56,309,487 shares			34,800 shares		2,856,230 shares (Ownership Ratio: 5.07%)	0	Returned borrowed shares of 3,600 shares and 31,200 shares (34,800 shares in total) to 2 foreign banks, respectively
July 25, 2019	56,309,487 shares		4,000,000 shares			2,856,230 shares (Ownership Ratio: 5.07%)	4,000,000 shares	Subscribed for 40,000 units of the 8th series stock acquisition rights
	56,609,487 shares	300,000 shares (Ownership Ratio: 0.53%)				3,156,230 shares (Ownership Ratio: 5.58%)	4,000,000 shares	Subscribed for newly issued shares
July 26, 2019 - April 1, 2020	57,192,187 shares (as of April 1, 2020)	582,700 shares			582,700 shares	3,150,030 shares (Ownership Ratio: 5.51%) (as of April 1, 2020)	3,417,300 shares (as of April 1, 2020)	Exercised 5,827 units of the 8th series stock acquisition rights in 3 times on August 28, 2019, November 15, 2019, and April 1, 2020
		158,600 shares						Purchase 69,900 shares, 77,900 shares, and 10,800 shares (158,600 shares in total) on March 11, 2020, March 12, 2020, and March 13, 2020, respectively on the market
				747,500 shares				Market sale in 43 times during the period between July 26, 2019 and January 24, 2020
April 1, 2020	57,192,187 shares				3,417,300 shares	3,150,030 shares (Ownership Ratio: 5.51%)	0	Waived 34,173 units of the 8th series stock acquisition rights
March 11, 2022	57,192,187 shares			3,150,000 shares		30 shares (Ownership Ratio: 0.00%)	0	Returned borrowed shares to RPHP

(Note 1) In the table above, the numbers in "share acquisition rights" column indicate the numbers of Target's Common Shares underlying the share acquisition rights acquired (the number of units of such share acquisition rights is indicated in the "Remarks" column).

(Note 2) In the table above, "Ownership Ratio" refers to the ratio of the number of Target's Common Shares subject to the acquisition and disposal to the total number of Target's outstanding shares as of the date of such acquisition and disposal. As the number of treasury shares owned by the Target as of the date of each acquisition and disposal cannot be confirmed at all points in time, and it is difficult

to calculate the ratio of the number of Target's Common Shares subject to acquisition and disposition to the number of shares obtained by deducting the number of treasury shares from the total number of issued shares of the Target at each point in time, the Ownership Ratio is stated in the above table.

(Note 3) On April 10, 2019, the Target conducted a share consolidation at a ratio of one (1) share for every ten (10) shares of the Target's Common Shares.

After the Target and its two consolidated subsidiaries (the "Target Group") having recorded continuous operating loss, ordinary loss, and negative operating cash flow for the entire Target Group in FY2020 and beyond due to the global pandemic of COVID-19 after the year of 2020, RPHP's financial difficulties, and the deteriorating business conditions in RPHL's specialized hotel business (The respective figures for FY2020 and FY2021 were, 1,396,504,000 yen, 1,425,105,000 yen (operating loss), 2,187,900,000 yen, 1,230,727,000) yen (ordinary loss), and 565,914,000 yen and 529,344,000 yen (negative operating cash flow).), RPHP, the parent company and largest shareholder of the Target (holding 40,692,453 shares of the Target's Common Shares (Shareholding Ratio: 70.50%)), and Red Planet Hotels Limited, the parent company of RPHP ("RPHL," and together with RPHP, "RPs") determined that further financial support for the Target by the RPs is difficult, and therefore, in early March 2021, RPs began considering the sale of Target's Common Shares in order to explore the possibility of accepting outside support that would enable the Target to maintain and increase its corporate value over the medium to long term. EVO FUND learned such circumstances of the Target in the course of supporting the Target through the capital transactions indicated in the table above, as a result of discussions with the Target and RPs from March 2021 and mid-August 2021, and in March 2022, EVO FUND has decided to initiate the Tender Offer to acquire Shares to be Tendered by RPHP, which are listed on the Standard Market of the TSE, for the purpose of making Target a consolidated subsidiary of the Offeror. The Tender Offer will be implemented as required under Article 27-2, Paragraph 1, Item 2 of the Act because, if the Offeror acquires 40,692,453 shares (Shareholding Ratio: 70.50%), which are all of the Target's Common Shares held by RPHP, it falls under the case where the Shareholding Ratio of Shares Etc., of the Target after the purchase exceeds one-third.

During the course of the Tender Offer, the Offeror executed the Tender Offer Agreement with RPHP (the "Tender Offer Agreement") as of August 19, 2022, under which RPHP will tender the Shares to be Tendered by RPHP. For the summary of the Tender Offer Agreement, please refer to "(3) Material agreements regarding the Tender Offer" below. The Tender Offer is conducted for the purpose of acquiring the Shares to be Tendered by RPHP only and there is no intent to delist the Target's Common Shares. The Offeror intends to maintain the listing of the Target's Common Shares even after the Tender Offer is successfully accomplished. Of the 40,692,453 shares of the Target's Common Shares (Shareholding Ratio: 70.50%) held by RPHP, 37,542,453 shares (Shareholding Ratio: 65.66%) were pledged with RPHP as the pledgor and REVOLUTION CO., LTD., ("REVOLUTION") (of which EVO FUND is the parent company and largest shareholder) as the pledgee, upon RPHP issued secured bonds, which cannot be redeemed in installments (collateral: pledge over 37,542,453 shares of the Target's common shares (65.04% of the total number of the Target's outstanding shares as of the same date (57,192,187 shares)), with a total issue amount of 400,000,000 yen and a repayment date of five months after the issue date, in order to temporarily raise funds (and to provide funds to the Target using such funds raised as the source of funds) and REVOLUTION subscribed for the bonds on December 10, 2021. On March 16, 2022, RPHP as the pledgor and REVOLUTION as the pledgee orally agreed to release the pledge prior to RPHP's tender in the Tender Offer. (The pledge has not been released as of the date of filing of this Statement. According to RPHP and REVOLUTION, the pledge will be released promptly after the commencement of the Tender Offer, but the specific date and time will be determined through future discussions between RPHP and REVOLUTION.) The Offeror believes that if REVOLUTION, a subsidiary of EVO FUND, makes an agreement with RPHP regarding the release of the pledge, it is certain that RPHP will implement the procedures to release such pledge, and therefore, the Offeror has not made any agreement with RPHP to which the Offeror or EVO

FUND is a party regarding the release of such pledge. In addition, the Offeror and EVO FUND (the "Offeror Group") recognize no circumstances that would hinder the release of the pledge.

The Tender Offer is conducted on the premises that the Shares to be Tendered by RPHP will be tendered. The tender offer price per share of the Target's Common Shares (JPY 11; the "Tender Offer Price") represents a discount of 80.36% (rounded to the second decimal place; hereinafter the same in the calculation of discount rates) on JPY 56, which is the closing price of the Target's Common Shares on the Standard Market of the TSE on August 18, 2022, i.e., the business day immediately preceding the announcement date of the Tender Offer, and the Tender Offer is conducted on the assumption that there will be no tender for the Tender Offer from the general shareholders of the Target, and only the Shares to be Tendered by RPHP will be tendered.

SARs which is the entire stock acquisition rights issued by the Target that remain outstanding as of the date of filing of this Statement are also subject to the Tender Offer because the Offeror will be required to solicit and purchase all of the tendered shares pursuant to Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Enforcement Order and Article 27-13, Paragraph 4 of the Act and Article 14-2-2 of the Enforcement Order since the ownership ratio of the shares will be two-thirds (2/3) or more after the Tender Offer is consummated. The purchase price per unit of SARs (the "SAR Purchase Price") is set at JPY 1 per unit of SARs because the exercise price of SARs, which is JPY 530, is higher than the Tender Offer Price, which is JPY 11 and even if the Offeror acquires the SARs through the Tender Offer, the Offeror will not exercise such SARs as there is no economic benefit for the Offeror to do so. Therefore, it is not expected that SARs will be tendered in the Tender Offer.

The Tender Offer is intended to acquire the Shares to be Tendered by RPHP, and there is no intention in the Tender Offer to delist the Target's Common Shares, and the Offeror and the Target have a policy of maintaining the listing of the Target's Common Shares after the Tender Offer is accomplished. Therefore, in the Tender Offer, the minimum number of tendered shares to be purchased is set at 40,692,453 shares (Shareholding Ratio: 70.50%), which is equal to the number of Shares to be Tendered by RPHP, and if the total number of Shares, Etc. tendered in response to the Tender Offer (the "Tendered Shares") does not reach the minimum number of tendered shares to be purchased in the Tender Offer, all of the Tendered Shares will not be purchased. Although RPHP is obliged to tender the Shares to be Tendered by RPHP in the Tender Offer pursuant to the Tender Offer Agreement, if RPHP does not accept the Tender Offer in breach of its obligations, the minimum number of tendered shares to be purchased in the Tender Offer will not be satisfied, and any Tendered Shares will not be purchased regardless of the tender by other shareholders. Also, although the Offeror does not own any of the Target's Common Shares as of the date of this Statement, because the percentage of ownership of share certificates after the accomplishment of the Tender Offer would be two-thirds (2/3) or more, which would give rise to the obligation to solicit to tender all shares and the obligation to purchase all tendered shares pursuant to Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Enforcement Order, and Article 27-13, Paragraph 4 of the Act and Article 14-2-2 of the Enforcement Order, no maximum limit is set on the number of tendered shares to be purchased. Accordingly, if there are applications amounting to equal to or greater than the minimum number of tendered shares to be purchased in the Tender Offer (40,692,453 shares (Shareholding Ratio: 70.50%)), the Offeror will purchase all of the Tendered Shares.

The purchase based on the Tender Offer is scheduled to be conducted by cash using the Offeror's own funds. The Tender Offer Agent is scheduled to remit the sale price of the purchased Shares, etc. to the place designated by the Tendering Shareholders (or its standing proxy in the case of foreign shareholders) without delay after the commencement date of settlement, in accordance with the instructions of the Tendering Shareholders (or its standing proxy in the case of foreign shareholders).

In addition, according to the "Statement on the Tender Offer for the Target's Common Shares and the SARs by EVO Fund LLC" (the "Target's Press Release") published by the Target on August 19, 2022, the Target resolved on the approval of the Tender Offer for the Target's Common Shares and the SARs at the meeting of the Target's board of directors held on August 19, 2022, with respect to the appropriateness of the purchase

price in the Tender Offer, the Target withheld its opinion and decided to leave the decision to its shareholders and holders of SARs on whether or not to accept the Tender Offer because (i) the Tender Offer Price of JPY 11 per share is 80.36% below the closing price of JPY 56 of the Target's Common Shares on the Standard Market of the TSE on August 18, 2022, i.e. the business day immediately preceding the meeting of the Target's board of directors held on August 19, 2022, and there is no economic benefit for the Target's minority shareholders to apply for the Tender Offer; (ii) the SAR Purchase Price is JPY 1, which is JPY 84 below the amount to be paid per unit of SARs of JPY 85, and there is no economic benefit to the owners of SARs for tendering their SARs in the Tender Offer; and (iii) it is reasonable for the Target's shareholders to continue to hold the Target's Common Shares and SARs after the completion of the Tender Offer since the listing of the Target's Common Shares will be maintained after the completion of the Tender Offer.

For details of the resolutions of the board of directors of the Target, please refer to the Target's Press Release and "(iii) Approval of all of the directors of the Target who have no interest and an opinion of all of the corporate auditors of the Target who have no interest to the effect that they have no objection " under "(5) Measures to ensure fairness of the Tender Offer and prevent conflict of interest " below.

(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer

(i) Background and object of decision-making to implement the Tender Offer

(a) Business environment surrounding the Target

The Target was founded as Daiki Sound Co., Ltd. in Yamato-shi, Kanagawa in June 1999 to plan, produce and sell music CDs and records. In November 2004, the Target was registered for over-the-counter trading ("OTC") with the Japan Securities Dealers Association. In December 2004, the Target cancelled its OTC registration and listed its shares on JASDAQ Securities Exchange, Inc. In April 2010, the Target listed its shares on the Osaka Stock Exchange JASDAQ market accompanying the market integration of the JASDAQ Securities Exchange and the Osaka Securities Exchange. Furthermore, in October 2010, the Target became listed on the Osaka Stock Exchange JASDAQ (Standard) market accompanying the market integration of the three markets of the Osaka Stock Exchange, i.e., the JASDAQ market, Hercules market, and the NEO market. In March 2011, it transformed to a holding company system and it changed its trade name to FONTZ Holdings, Inc. and it also transferred its business of distributing music CD and DVD, etc. through incorporation-type company split to Daiki Sound Co., Ltd., the company newly incorporated by incorporation-type company split ("New Daiki Sound Co., Ltd."). In December 2012, its then parent company, Minerva Collection Agency Inc. ("Minerva"), transferred 91,700 shares of the Target's Series A Preferred Shares held by Minerva to RPHP. In January 2013, RPHP converted all of these 91,700 Series A Preferred Shares received from Minerva into 91,700 common shares and it became the Target's major shareholder (Shareholding Ratio: 33.05%). In April 2013, the Target commenced hotel business as its new business. On July 16, 2013, the Target listed its shares on the Tokyo Stock Exchange JASDAQ (Standard) market accompanying the integration of the Osaka Stock Exchange cash equity market with the Tokyo Stock Exchange. In January 2014, the Target changed its trade name to its current trade name, Red Planet Japan, Inc. In February 2017, the Target sold all of the shares in New Daiki Sound Co., Ltd., which was a consolidated subsidiary of the Target, and the Target is no longer engaged in music CD and record-related business. The Target was engaged in restaurant business through its subsidiaries and indirectly-owned subsidiaries (the Target's subsidiary, Kabushiki Kaisha Food Planet, and its subsidiaries, Kabushiki Kaisha Chicken Planet, Kabushiki Kaisha Sweet Star, and Kabushiki Kaisha Iron Fairies, etc.) during the middle of the years of 2010 but the Target sold all of the shares in these subsidiaries and indirectly-owned subsidiaries in June 2017 and the Target is no longer engaged in restaurant business.

The Target Group has been engaged in the hotel business since April 2013. Particularly after June 2017, after completing the sale of other businesses, the Target Group has been engaged solely in hotel business. The Target Group focuses on operating low cost value budget hotels through two hotels in Japan (Gotanda

and Sapporo).

However, since 2020, the Target Group has been consecutively posting operating loss, ordinary loss and negative cash flow (Respectively for fiscal years 2020 and 2021: operating loss of (1,396,504,000) yen and (1,425,105,000) yen; ordinary loss of (2,187,900,000) yen and (1,230,727,000) yen; and negative cash flow of (565,914,000) yen and (529,344,000) yen), which are giving rise to events or circumstances of creating strong doubts on going concern assumptions. The Target's parent companies, RPHP and RPHL, are deploying hotels in Indonesia and Philippines, and the Target considered that it would enjoy the advantage from the recognition of the "Red Planet" brand by the inbound travelers from these regions. However, particularly after 2020 since the outbreak of the global pandemic of COVID-19, the Target Group has been unable to enjoy this advantage, and in Japan, the question of how to capture the demands of Japanese accommodation guests has become its major pressing issue. Going forward, the Target Group aims to secure revenues by improving the revenue per available room and occupancy rate by providing diverse accommodation plans and expanding and improving its services. The Target Group is reviewing its portfolio such as by ceasing the operation of hotels operated under lease in Japan which it considers that their turnaround would be difficult, and ceasing the operation of hotels in Thai, and it is also considering whether or not to continue business in the future for its other hotels operating in Japan and hotels currently under construction in the Philippines. From 2020, the Target has been reviewing the selling, general and administrative expenses to thoroughly reduce costs, and is scheduled to further reduce the selling, general and administrative expenses.

In addition to these measures to improve the business, the parent company, RPHP, secured working capital for the Target Group by allocating subscription rights to shares from the Target and by subscribing to capital increases. However, due to the financial difficulties of RPHP, the Target is considering raising funds to secure business capital and strengthen its business base in the future through new financing methods such as borrowing from third parties and investment by third parties, and, although no specific plan has been determined at this point, plans to implement these plans during 2022.

(b) Consultation between the Offeror, the Target, RPHP and the decision-making process of the Offeror

As stated in the (1) Overview of the Tender Offer, after the transaction in which EVO FUND acquired on July 25, 2019, 300,000 common shares issued by the Target through third-party allotment (0.53% of the total number of issued shares of the Target as of July 25, 2019 (56,609,487 shares)) and warrants for 40,000 units in the 8th series issuance by the Target (subject to a clause to adjust the exercise price) (Type and number of shares to be issued upon exercise of the warrants: 4,000,000 common shares in total), as described in "(a) Business environment surrounding the Target" above, due to the deterioration of the Target's business conditions and the difficulty in providing additional financial support to the Target by the RPs due to RPHP's financial difficulties and the deterioration of business conditions of the main hotel business of RPHL as a result of the impact of the global pandemic of COVID-19 after 2020, RPs, in early March 2021, started to consider selling all 25,352,453 shares of the Target's Common Shares owned by RPHL (Shareholding Ratio:44.33% of the total issued amount of shares of the Target as of the beginning of March 2021 (57,192,187 shares)) and all 12,190,000 shares of the Target's Common Shares owned by RPHP (Shareholding Ratio: 21.31% of the total issued amount of shares of the Target as of the beginning of March 2021 (57,192,187 shares)). Total of 37,542,453 shares (Shareholding Ratio: 65.64% of the total issued amount of shares the Target as of the beginning of March(57,192,187 shares)) shall be referred to as the "Shares Initially Subject for Sale") and by doing so, plans on separating the Target from the control of the RPs and on having the third party that obtains the Shares Initially Subject for Sale improve the management status of the Target and thereby aim to maintain and enhance the corporate value of the Target over the long term, as well as allocating the funds obtained from the sale of the Shares Initially Subject for Sale to the repayment of the debt of the subsidiaries of RPHL, excluding the Target. Specifically, as stated

in the (1) Overview of the Tender Offer, Mr. Simon Gerovich ("Mr. Gerovich"), a director of the Target who also serves as a director for RPHP and RPHL, in mid-April 2021, asked Mr. Lerch, an officer and director of EVO FUND, who has been giving support through third party allotments and subscription of the Target's Common Shares implemented on July 25, 2019 and third party allotments and subscription of share acquisition rights of the Target implemented from May 2, 2016 to April 1, 2020, to consider on financially supporting the Target, since additional financial support to the Target by RPs became difficult. In response, in mid-April 2021, Mr. Lerch contacted Mr. Gerovich and stated that it was possible to consider on financially supporting the Target. However, as Mr. Lerch did not have any information regarding details of the business condition of the Target and financial condition, he consulted with Mr. Gerovich 5 times from late-April 2021 to late-June 2021 to understand the business condition of the Target and to share information.

Specifically, at the discussion held on April 26, 2021, Mr. Lerch was informed by Mr. Gerovich that the Target's business was in a dire situation, where working capital could not be secured since the Target had to close or terminate the operations of hotels, since hotel use by tourists and business travelers decreased due to the impact of the COVID-19 and that the Target would have to consider either drastically restructuring its business through sales of assets and the elimination of unprofitable divisions, etc. or filing for bankruptcy proceedings. On May 25, 2021, EVO FUND was informed by RPs that the Target was considering the sale of its hotel assets and the termination of its hotel lease agreements and acknowledged once again that the Target was facing serious financial difficulties. EVO FUND, in the said consultation on May 25, 2021, informed RPs that if RPs wishes to sell the rights pertaining to the Target, EVO FUND intends to have consultation to purchase the rights pertaining to the Target.

On June 12, 2021, EVO FUND was informed by RPs that a subsidiary of an overseas investment banking group, which is the main creditor of RPHL (the "Creditor") and held a pledge over 11,957,200 shares of the 12,190,000 shares of the Target's Common Shares then held by RPHP (20.90% of the total number of issued shares of the Target as of the same date (57,192,187 shares)) with respect to claims against RPHL, was considering restructuring RPHL's debt to the Creditor and that the consent of the Creditor is required to sell the rights pertaining to the Target, and recognized that there was a possibility that the Target might apply for bankruptcy proceedings. EVO FUND, in the said consultation on June 12, 2021, informed RPs that if RPs makes a formal proposal regarding the sale of the rights pertaining to the Target, EVO FUND would consider such proposal.

Further, from mid-June 2021 to the late-June, EVO FUND received information from RPs on the status of the Target's assets, debts, lease obligations of the hotel, borrowings from RPs and provision of security for the hotel assets, and understood more specifically that the Target is facing serious financial difficulties.

In the late-June, EVO FUND received, as a specific proposal for the sale of the rights pertaining to the Target referred to in the above discussions on June 12, 2021, a proposal from RPs to sell the 37,542,453 Shares Initially Subject for Sale (Shareholding Ratio: 65.64% of the total issued amount of shares the Target as of June 30, 2021 (57,192,187 shares)) to EVO FUND, to use the proceeds from the sale to repay the Creditor's debt, and EVO FUND, which becomes the a major shareholder of the Target, to consider providing financial support to the Target. In response, on the same date of such proposal, EVO FUND informed RPs that EVO FUND recognized the necessity of a tender offer pursuant to Article 27-2, Paragraph 1, Item 2 of the Act in order to implement the acquisition of the Shares Initially Subject for Sale. In response, RPs, as a result of examining whether it is necessary to select a tender offer approach for the sale of the Shares Initially Subject for Sale, recognized that it is necessary to implement a tender offer as EVO FUND did. In the early-July 2021, RPs offered consultation to EVO FUND to implement a tender offer of the Shares Initially Subject for Sale (65.64% of the total number of issued shares of the Target as of June 30, 2021 (57,192,187 shares)) as a specific scheme for realizing the sale of the 37,542,453 Shares Initially Subject for Sale (the "Former Tender Offer"), and EVO FUND responded to such offer in the

early-July 2021. After that, from the early-July to late-August 2021, the EVO FUND and RPs held meetings nine (9) times in total to implement the Former Tender Offer.

EVO FUND and RPs, in the consultation to implement the Former Tender Offer, first began on considering the tender offer price if they were to conduct the Former Tender Offer. Since EVO FUND did not have any specific ideas regarding the tender offer price of the Former Tender Offer at this discussion, EVO FUND had not proposed any tender offer price for the Former Tender Offer, and on July 22, 2021, RPs proposed to EVO FUND that the tender offer price of the Former Tender Offer be set at JPY 40 per share based on the understanding that this is a reasonable figure and that a discount rate of approximately 27% on the Target's then current share price (the closing price of the Target's Common Shares on the JASDAQ (Standard) Market of the Tokyo Stock Exchange as of July 21, 2021, which was JPY 55) is sufficient as the discount rate commensurate with the risk of becoming a major shareholder of the Target in need of restructuring and holding a volume of shares that would be difficult to sell immediately on the market.

In response, given the declining results of the Target due to a decrease in demand from inbound travelers as a result of COVID-19, EVO FUND believed that there was a certain possibility of a decline in the value of Target's business and risks of an outflow of the Target's assets through seizure as a result of default on the Target's financial obligations to suppliers and creditors, and thus it believed that a further discount to the share price of the Target at the time is necessary and that the possibility of further impairment in the future should be reflected in the tender offer price. Therefore, EVO FUND did not agree to the price proposed by RPs, and instead suggested on August 3, 2021 that the tender offer price of the Former Tender Offer should be set at around JPY 20 per share, which is a price calculated by adding the Target's performance to the current net value of the Target and applying a discount thereto.

EVO FUND and RPs continued discussions thereafter to consider the possibility of implementing the Former Tender Offer in order to repay RPHL's debts to the Creditor. However, the parties failed to reach an agreement regarding the tender offer price of the Former Tender Offer at this stage because there remained an issue on how to dissolve the debts with the Creditor. In early August 2021, RPs also discussed the Former Tender Offer with the Creditor, but the Creditor answered on August 16, 2021 that it would not give consent to the Former Tender Offer due to the complex credit structure of RPHL and its subsidiaries and affiliates, which consists of assets, etc. of RPHL and 36 subsidiaries and affiliates across several countries, which posed a hindrance to implementation of the tender offer. On August 18, 2021, this answer from the Creditor was shared from Mr. Gerovich to Mr. Lerch. EVO FUND came to believe that it would be difficult to implement the Former Tender Offer without obtaining consent of the Creditor, who was the main creditor of RPHL, and on the same day, it informed RPs that it will temporarily terminate discussions regarding the Former Tender Offer. However, on the same day, as RPHL and its subsidiaries and affiliates were then experiencing financial difficulties, EVO FUND held discussions with RPs regarding the way of financing RPHL and its subsidiaries and affiliates and specifically began discussions regarding the issuance of corporate bonds by RPHL or RPHL through third-party allotment. Subsequently, in early September 2021, EVO FUND and RPs negotiated a term sheet for a loan of funds by EVO FUND to RPs.

As described above, since EVO FUND believed that it is impossible to implement the Former Tender Offer as the Creditor had not approved the Former Tender Offer, EVO FUND once terminated discussions with RPs regarding the Former Tender Offer. However, on the other hand, EVO FUND still was willing to acquire the Shares Initially Subject for Sale through the Former Tender Offer since it believed that the Former Tender Offer is possible if the Creditor and RPHL are able to reach an agreement regarding the settlement of the Creditor's credits to RPHL in content satisfactory to EVO FUND.

However, as of September 2021, EVO FUND was aware that there may be difficulty in acquiring the Shares Initially Subject for Sale through the Former Tender Offer. In other words, an information was

shared from RPHP to EVO FUND that the payment by RPHP to the creditors was delayed at the time, and a pledge with the Creditor as a creditor had been created over 11,957,200 shares (20.90% of the total number of issued shares the Target (57,192,187 shares) as of the same day) among 12,190,000 shares of the Target's Common Shares held by RPHP, so EVO FUND was aware that the acquisition of the Shares Initially Subject for Sale through the Former Tender Offer would be difficult if such pledge was enforced.

Therefore, in order to avoid the enforcement of the abovementioned pledge by the Creditor, EVO FUND and RPs prioritized discussions for RPHP to issue bonds by third-party allotment and use the funds obtained through the issuance of such bonds to pay each creditor of RPs including the Creditor (as a result, EVO FUND terminated the above discussions conducted in the early-September 2021 and the negotiation regarding a loan of funds to RPs). From September 10, 2021, EVO FUND began to consider REVOLUTION as the underwriter of the bonds issued by RPHP, as it believed that REVOLUTION, a Japanese listed company engaged in various information disclosure as a listed company of which EVO FUND is the parent company and largest shareholder, would also be agreeable to the Creditor.

Since RPHP was not requested from its transacting financial institutions to refrain from appointing REVOLUTION as the underwriter of the bonds issued by RPHP, on December 10, 2021, RPHP ultimately borrowed JPY 400,000,000 of stop-gap financing (and funding to the Target from such procured funds) in the form of a non-divisible, secured five-month bond (secured by pledge with 37,542,453 shares of the Target's Common Shares (65.64% of the total number of issued shares of the Target as of the same day (57,192,187 shares) as collateral), with REVOLUTION as its underwriter ("Bonds").

REVOLUTION determined that 37,542,453 shares of the Target's Common Shares (65.64% of the total number of issued shares of the Target as of the same day) have sufficient value as collateral at the time of subscription of the Bonds as its investment business matter, and agreed to the creation of the abovementioned pledge. On December 3, 2021, RPHL transferred all of its 25,352,453 shares of the Target's Common Shares (44.33% of the total number of issued shares of the Target as of the same day (57,192,187 shares)) to its subsidiary, RPHP, in preparation for the restructuring and financing of RPHL and its subsidiaries and affiliates, resulting in RPHP owning 37,542,453 shares of the Target's Common Shares (65.64% of the total number of issued shares of the Target as of the same day (57,192,187 shares)) and becoming the parent company of the Target, and the largest shareholder of the Target changed from RPHL to RPHP (as mentioned in "(1) Overview of the Tender Offer" above, on March 16, 2022, RPHP as the pledgor and REVOLUTION as the pledgee orally agreed to release the pledge prior to RPHP's tender in the Tender Offer).

However, the Target's situation did not appear to be improving even after the issue of the Bonds (as stated above, certain proceeds of RPHP from the issue of the Bonds are used as funding from RPHL to the Target), primarily due to the resurgence of COVID-19 in Japan and Asia.

In such circumstances, EVO FUND understood that a major root cause for the Target's financing problems after February 2022 was excessive debt owed by RPHL to the Creditor and it has become difficult for RPHL and RPHP to support its provision etc. of funds to the Target. Through an introduction by Mr. Gerovich who is the representative director of the Target, EVO FUND's officer Mr. Lerch, who had an intention to provide additional financial support to the Target, was able to commence discussions directly with the Creditor's representative on February 14, 2022, and he was able to know the Creditor's desires to disengage from its position as creditor of RPHL.

When Mr. Lerch found out about such desire of the Creditor to disengage, he believed that if EVO FUND acquired the status of creditor of RPHL from the Creditor, who may be a barrier to the restructuring of the business and assets of the Target, and EVO FUND caused the Target's management to consider and implement the restructuring of their business and assets, there is room for enhancement of the corporate value of the Target. Accordingly, this led to direct negotiations between EVO FUND and the Creditor aiming for the transfer of the Creditor's loan receivables to RPHL of 110,992,804.76 US dollars from



February 14, 2022 to February 21, 2022. As a result, EVO FUND ultimately purchased all of the Creditor's loan receivables to RPHL of 110,992,804.76 US dollars on March 4, 2022.

As EVO FUND had believed that the acquisition of the Target's Common Shares by way of tender offer is difficult as long as the Creditor who did not agree to the Former Tender Offer remained as the creditor of RPHL, having at that point in time EVO FUND acquired all loan receivables of the Creditor to RPHL and became a major creditor of RPHL, it was in the EVO FUND's understanding that there is no obstacle to perform the Tender Offer. Furthermore, although a state of emergency had been declared in Japan since September 2021 due to the pandemic of the COVID-19, the stage of the pandemic has been entering the transitional phase to the endemic and the border restrictions for foreigners have clearly begun to be lifted from February 2022 including for business and employment purposes, EVO FUND, in the late February, 2022, saw this situation as a sign of recovery of the Target's business.

While EVO FUND perceived positive elements to implement the Tender Offer as described above, it was also concurrently aware of the following negative elements:

- (i) Due to the decrease of inbound travelers as a result of COVID-19, the occupancy rate of the Target's hotel has plummeted to almost zero, and this decreased the Target's working capital and deteriorated its financial position;
- (ii) The business of the Target is highly probable to suffer adverse effects in the case of resurgence of COVID-19;
- (iii) There are number of risks in the Tender Offer, including risks whereas if the Target lacks working capital, the Offeror, as a major shareholder after the Tender Offer, and EVO FUND would be unable to recover their invested capital to the Target, and risks whereas if the Target falls under the delisting criteria and is forced to be delisted, the Target would have limited means of financing as a result of delisting and would suffer a deterioration of cash flow;
- (iv) In the financial audit for the fiscal year 2020, the Target received a report from Yamabuki, the accounting auditor, that it would not express an audit opinion because the Target was unable to provide sufficient and appropriate audit evidence as a basis for expressing an opinion on the Target's consolidated financial statements; and
- (v) Considering the number of shares and ownership ratio (number of shares to be purchased: 40,692,453 shares, ownership ratio: 70.48%) of the Target's Common Shares held by RPHP that are to be acquired by the Offeror by the Tender Offer, should the relevant shares be realized in the future, it may be difficult to sell all of such shares in the market.

After comprehensively considering both the positive and negative elements above, EVO FUND wanted to offer financial support to the Target after becoming the parent company of the Target through the Tender Offer, but on the other hand, considering the above negative elements, EVO FUND believed that the Tender Offer Price should be a price after application of a further discount on the tender offer price proposed by EVO FUND to RPs on August 3, 2021 regarding the Former Tender Offer (around JPY 20 per share). Thus, on March 6, 2022, Mr. Lerch proposed to Mr. Gerovich, who is also a director of RPHP, via email and offered consultation, that it would obtain the Shares to be Tendered by RPHP, including 25,352,453 shares of the Target's Common Shares transferred from RPHL to RPHP on December 3, 2021 (44.33% ownership of the total number of issued shares of the Target as of the same day (57,192,187 shares)) that had been planned to be sold at discussions for the Former Tender Offer, and that it would implement the Tender Offer to maintain and enforce the stability of management of the Target by having the Target become a consolidated subsidiary and by supporting the efforts for maintaining and increasing the corporate value of the Target and strengthen its involvement in and financial support for the Target, and that the Tender Offer Price be JPY 10.6. This Tender Offer Price was based on the estimate of the total of JPY 400,000,000 (JPY 10.6 per Target's Common Share) that took into the account of the liquidation value analysis of the Target conducted by REVOLUTION when REVOLUTION underwrote the Bonds from RPHP on December 10, 2021, with respect to the value of 37,542,453 shares of the Target's Common

Shares that were collateral for the Bonds. EVO FUND believed that, if the Tender Offer Price was JPY 10.6, even if the Target's business condition did not improve, and the worst-case scenario occurs, such as bankruptcy of the Target, it would be possible to recover the minimum amount of invested capital. EVO FUND also believed that, if the Target's business condition improves with EVO FUND's support after the Tender Offer, EVO FUND would be able to obtain corresponding investment benefits (as of the filing date of this document, EVO FUND does not plan to dissolve or liquidate the Target after the Tender Offer.).

After the proposal and offer for consultation, Mr. Lerch, on the same day, received an oral communication from Mr. Gerovich that he would consult with EVO FUND on the assumption that it will apply to the Tender Offer, and on March 6, 2022, EVO FUND and RPHP resumed consultations toward the implementation of the Tender Offer. EVO FUND and RPHP discussed only on the Tender Offer Price because RPHP agreed to discuss the Tender Offer on the assumption that it would apply to the Tender Offer. Specifically, in an e-mail dated March 6, 2022, Mr. Lerch sent Mr. Gerovich a draft of the Tender Offer Agreement with the Tender Offer Price being JPY 10.6. Mr. Lerch subsequently spoke with Mr. Gerovich on March 16, 2022 and verbally expressed Mr. Lerch's understanding that the Tender Offer Price needed to be a whole number, to which both parties orally agreed that RPHP would accept the Tender Offer and that the Tender Offer Price proposed by EVO FUND of JPY 10.6 would be rounded up to JPY 11. In addition, Mr. Lerch, in an e-mail dated March 16, 2022, sent Mr. Gerovich a revised draft of the Tender Offer Agreement reflecting the oral agreement between the two parties regarding the Tender Offer Price.

In addition, SARs are also subject to the Tender Offer because the Offeror will be required to solicit all shareholders and purchase all of the tendered shares pursuant to Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Enforcement Order and Article 27-13, Paragraph 4 of the Act and Article 14-2-2 of the Enforcement Order since the ownership ratio of the Shares, Etc. will be two-thirds (2/3) or more after the Tender Offer is consummated. The SAR Purchase Price is set at JPY 1 per unit of SARs because the exercise price of SARs, which is JPY 530, is higher than the Tender Offer Price, which is JPY 11 and even if the Offeror acquires the SARs through the Tender Offer, there is no possibility that the Offeror will exercise such SARs since the Offeror does not recognize the economic benefits of exercising them. However, as RPHP is not the holder of the SARs, no negotiation or agreement has been made with RPHP regarding the SAR Purchase Price.

Prior to the commencement of discussions with RPHP regarding the implementation of the Tender Offer on March 6, 2022, EVO FUND appointed Anderson Mori & Tomotsune as its legal advisor in the late-February 2022 and received legal advice regarding the implementation of the Tender Offer. In addition, as of the filing date of this document, there is no policy that has been specifically discussed between the Offeror and RPHP or its subsidiaries regarding transactions between the Offeror and RPHP or its subsidiaries after the Tender Offer.

Subsequently, after the agreement was reached on the implementation of the Tender Offer and the Tender Offer Price between Mr. Lerch and Mr. Gerovich on March 16, 2022 as described above, on March 29, 2022, EVO FUND submitted a proposal to the Target's board of directors stating that it would implement the Tender Offer and the overview of the Tender Offer (class of Shares to be purchased and the Tender Offer Price) (As described above, the consultation on the Tender Offer between EVO FUND and RPHP was conducted only pertaining to the Tender Offer Price, and they reached an agreement to set the Tender Offer Price at JPY 11 as of March 16, 2022. Thus, even after the submission of the above proposal, Offeror Group and the Target have had no consultation on the conditions of the Tender Offer including the Tender Offer Price.). In early April 2022, EVO FUND decided that the Offeror, which was established as the wholly-owning special purpose vehicle as the entity conducting the Tender Offer, and wholly funded by EVO FUND from the viewpoint of facilitating segregation of assets management, will conduct the Tender Offer.

After that, On July 29, 2022, EVO FUND was informed by the Target that the Target had delayed the submission of its corporate governance report due on December 31, 2021 and submitted it on May 13, 2022. EVO FUND discussed with its legal advisor whether such facts would constitute an obstacle to the implementation of the Tender Offer. However, EVO FUND determined that such facts alone would not immediately cast doubt on the continuation of the Target's business as a listed company, and that there would be no particular obstacle to the implementation of the Tender Offer, and decided to continue to take measures toward the implementation of the Tender Offer on August 3, 2022.

On August 19, 2022, EVO FUND decided to conduct the Tender Offer if the Offeror executed the Tender Offer Agreement with RPHP as described in "(i) Tender Offer Agreement" under "(3) Material agreements regarding the Tender Offer" below, and the conditions precedent regarding the Tender Offer, which are described in the Tender Offer Agreement are satisfied or waived by the Offeror, and that the Tender Offer Price be JPY 11. In addition, since the ownership ratio of the Shares, Etc. after the completion of the Tender Offer will be two-thirds (2/3) or more in the Tender Offer, the Offeror will be subject to the obligation to solicit all shareholders and to purchase all shares pursuant to Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Enforcement Order, and Article 27-13, Paragraph 4 of the Act and Article 14-2-2 of the Enforcement Order. As for the SAR Purchase Price, since the exercise price of the SARs, which is JPY 530, exceeds the Tender Offer Price of JPY 11 and even if the Offeror acquires the SARs through the Tender Offer, the economic merit of exercising the SARs by the Offeror is not recognized and the Offeror will not exercise such SARs, EVO FUND decided on August 19, 2022 to set the SAR Purchase Price at JPY 1 per unit of SARs.

As financial situation of the Target remained difficult, EVOLUTION JAPAN Asset Management Co., Ltd., an affiliate of EVO FUND, extended a loan of JPY 30 million to the Target on March 18, 2022 as working capital at an annual interest rate of 3.0% with a repayment date of July 19, 2022. Furthermore, in order to support the Target, EVOLUTION JAPAN Asset Management Co., Ltd. provided an additional loan of JPY 132.5 million as working capital on April 26, 2022 at an interest rate of 3.0% per annum with a repayment date of August 26, 2022. On July 29, 2022, EVO FUND extended a loan of JPY 118.82 million to the Target for the renewal of bank loans borrowed by the Target, with an annual interest rate of 3.0% and a repayment date of November 28, 2022.

As of the date of filing of this Statement, the Target has defaulted on the repayment of the above mentioned loan dated March 18, 2022 (repayment due date: July 19, 2022), but the Target plans to hold discussions with EVOLUTION JAPAN Asset Management Co., Ltd. regarding measures such as refinancing or extension of the repayment due date. The Target also plans to hold discussions with EVOLUTION JAPAN Asset Management Co., Ltd. regarding measures such as refinancing or extension of the repayment due date as to the repayment of the above mentioned loan dated April 26, 2022 (repayment due date: August 26, 2022).

#### (ii) Management policy after the Tender Offer

The Offeror Group aim to maximize shareholder value and investment value through the growth of the Target's business. The Offeror Group will endeavor to understand the changing environment surrounding the Target and the Target's business plan in such environment by exchanging opinions with the Target's management on a regular basis, and intends to support the Target and cooperate with the Target's management in developing the Target's current hotel business and new business given the necessity to launch business other than the hotel business to make up for the decline in the hotel business, although there is no business specifically under consideration as of the date of filing of this Statement. Through the exchange of opinions with the Target's management, the Offeror Group will continue to consider what kind of cooperation is possible with the Target. The Offeror Group intends to support the growth of the Target by providing working capital loans to the Target

according to conditions and risks and by making further investments in the Target's business. As of the date of filing of this Statement, the Offeror Group and Evolution Financial Group have no specific plan on whether to provide loans to the Target after implementation of the Tender Offer.

With respect to the management structure of the Target after the Tender Offer is consummated, the Offeror Group currently believes that Mr. Gerovich is the most suitable person to assume the responsibility for the future business operations of the Target, and plans to have the management of the Target led by Mr. Gerovich continue to perform the duties after the Tender Offer is consummated. The Target's management has also expressed its intention to participate in the management of the Target and contribute to the continuation of the Target's business after the Tender Offer in order to fulfill its management responsibilities, regardless of the capital relationship with RPs. RPs has not raised any objection to the Target's management continuing to participate in the management of the Target. Although the Offeror Group is considering dispatching directors through discussions with the Target's management, no concrete facts, specific plans or requests have been fixed at this point, and the Offeror Group expects to make a decision after further discussions with the Target after the completion of the Tender Offer. In addition, the Offeror Group has stated to the Target that it will defer the composition of its board of directors after the Tender Offer to the Target's management and that it has no plans to change the Target's organizational structure or governance structure after the Tender Offer.

The Offeror Group's basic policy is to encourage the Target to develop new businesses, to actively manage assets on its balance sheet, to encourage financing to secure business funds, and to support the management led by Mr. Gerovich in enhancing shareholder value. According to the Target, in the event that travel restrictions to Japan due to the COVID-19 are lifted and overseas travelers return to Japan, the Target is considering utilizing properties and opportunities in favorable locations, advancing into related real estate business or real estate management business, advancing into new countries and regions, and advancing into new business fields. However, according to the Target, although new entry of foreign nationals has been permitted under certain conditions since June 10, 2022, as of the date of filing of this Statement, none of the above measures have been specifically determined by the Target.

(iii) Decision-making process and reasons for the Target's support of the Tender Offer

According to the Target's Press Release, the Target's board of directors started to consider the Tender Offer upon receipt of the proposal to implement the Tender Offer from the Offeror on March 29, 2022. At the start of the consideration, in comprehensive consideration that the Target considered it necessary to promptly implement the Tender Offer given the severe performance and the financial situation of the Target as described below and that, since the Tender Offer is a so-called discount tender offer for the purpose of changing the parent company and minority shareholders were not expected to tender their shares, there was little need to obtain the valuation of the Target's Common Shares, the Target decided to prepare for the publication of the Tender Offer without appointing professionals including legal advisor, and intended to obtain opinions from the Target's outside directors that the Tender Offer would not be disadvantageous to minority shareholders, but it took time to prepare the disclosure documents. The reason why it took time to prepare the disclosure documents was not because it took time to negotiate the purchase price and other conditions of the Tender Offer, but because the Target was unable to allocate sufficient human resources to prepare the disclosure documents as a result of redundancy, and also because it took time for administrative communications as the Target had not appointed a legal advisor at first and the Offeror was based overseas. However, based on the subsequent request from the Offeror that the Target should implement fair procedures in the Tender Offer, such as the appointment of a legal advisor and the establishment of a special committee, and even in light of the Target's situation described above and the details of the Tender Offer, the Target reached a decision that it was necessary to eliminate the arbitrariness in the Target's decision-making regarding the Tender Offer and to implement fair procedures in order to ensure fairness, transparency and objectivity of the decision-making process. In mid-June 2022, the Target asked for advice from Shiomizaka Sogo Law Office which is the legal advisor independent from the Target, RPHP and RPHL as well

as the Offeror, EVO FUND and other Evolution Financial Group and, after formally appointing such law office by resolution of the Target's board of directors held on June 28, 2022 and upon the advice by such law office, established a special committee on the same day and consulted about the Tender Offer (For information of the special committee, please refer to "(i) Establishment of an independent special committee in the Target" in "(5) Measures to ensure fairness of the Tender Offer and prevent conflict of interest" below.).

The Target's board of directors deliberated and considered the conditions of the Tender Offer taking into account of the consideration about the enhancement of the corporate value of the Target, intentions of the Offeror, legal advice obtained from the Shiomizaka Sogo Law Office which is the legal advisor of the Target, the substance of the opinion provided by the special committee (the "Opinion"), and the description of "(ii) Management policy after the Tender Offer" above. The decision-making reasons for the Target's support of the Tender Offer are as follows.

The Target was a company specializing in the hotel business and operated several hotels specializing in lodging- in Japan and Thailand. However, after 2020, since the global outbreak of COVID-19 in 2020, domestic and international travel was restricted and the number of travelers and business travelers declined significantly. As a result, the Target was forced to close or terminate operations of its hotels in Japan and other Asian countries at that time, and its performance for the fiscal year ended December 31, 2020 deteriorated even more rapidly than in previous years, resulting in a larger consolidated operating loss and negative cash flow from operating activities. Accordingly, explanatory notes were added to the consolidated financial statements for the fiscal year ended December 31 2020 to the effect that there were events or circumstances that could give rise to significant doubts as to the going concern assumption. In addition, no concrete financial plan was presented because there was no prospect of raising the necessary funds to carry out the business. For reasons including the above, the auditors of the Target decided not to express its audit opinion. The impact of COVID-19 continued in the fiscal year ended December 31, 2021, and the Target became insolvent as of the end of December 2021, resulting in its stock being placed under a grace period pertaining to delisting as of March 29, 2022 (grace period: from January 1, 2022 to December 31, 2023). As the impact of COVID-19 is still continuing during the progressive period (fiscal year ended December 31, 2022), operating income and operating cash flow figures are generally remain at the same level as the second quarter of the fiscal year 2021, and there are no signs of a recovery in performance at this time. As it has been difficult to receive financial support from financial institutions in the market and RPHP, the parent company of the Target, whose performance has been deteriorating like that of the Target, the Target received a loan of JPY 30 million from EVOLUTION JAPAN Asset Management Co., Ltd., an affiliate of EVO FUND that has been providing financial supports through subscription for the Target's Common Shares and stock acquisition rights in the past, with an interest rate of 3.0% per annum and a repayment date of July 19, 2022, on March 18, 2022, and a loan of JPY 132.5 million with an interest rate of 3.0% per annum and a repayment date of August 26, 2022, on April 26, 2022, in order to secure working capital. In addition, the Target has received a loan of 118.82 million yen from EVO FUND, with an interest rate of 3.0% per annum and a repayment date of November 28, 2022, as of July 29, 2022, in order to secure funds for renewal of the bank loan the Target has borrowed. As of the date of this notification, the Target has defaulted on the repayment of the above mentioned loan dated March 18, 2022 (repayment due date: July 19, 2022), but the Target plans to hold discussions with EVOLUTION JAPAN Asset Management Co., Ltd. regarding measures such as refinancing or extension of the repayment due date. The Target also plans to hold discussions with EVOLUTION JAPAN Asset Management Co., Ltd. regarding measures such as refinancing or extension of the repayment due date as to the repayment of the above mentioned loan dated April 26, 2022 (repayment due date: August 26, 2022).

Since the outbreak of the COVID-19 in 2020, in order to improve its performance and financial condition which deteriorated rapidly, the Target has been seeking or implementing various measures such as to (1) improve profitability (i.e., promoting diversification of accommodation plans and expanding its services while emphasizing safety and security in order to capture demand from Japanese guests, and improving the unit price

and occupancy rate of hotel rooms after the COVID-19 pandemic is over), (2) expand its business base (completion and opening of the hotels under construction in the Philippines), (3) promote capital policy (implementation of new fund-raising) and (4) reduce costs (withdrawal of unprofitable hotels and radical reduction of other selling, general and administrative expenses).

However, it is not easy for the Target to improve its performance and financial conditions solely by itself through the aforementioned measures due to the following circumstances: (i) The impact of the COVID 19 has still been continuing during the progressive period, and although it was decided to permit new entry of foreign nationals under certain conditions from June 10, 2022, the number of hotel guests is still far from the level before the outbreak of COVID 19; (ii) The hotel construction work in the Philippines has not progressed due to a shortage of working capital; (iii) The financial condition of the Target is making it difficult for the Target to conduct a public offering in the capital market, and no procurement of funds through third-party allotment has been executed since the issuance of shares and the 8th series share acquisition rights (with exercise price adjustment provision) with EVO FUND as the allottee, payment for which was completed on July 25, 2019 and therefore, the Target has no choice but to rely on loans from EVOLUTION JAPAN Asset Management Co., Ltd., an affiliate of EVO FUND, for the procurement of working capital; and (iv) Since January 2021, several of the hotels operated by the Target (Red Planet Okinawa Naha, Red Planet Nagoya Nishiki, Red Planet Sapporo Susukino Chuo, Red Planet Hiroshima, and Red Planet Tokyo Asakusa) have ceased operations, leaving only two hotels (Hotel Royal Oak Gotanda and Red Planet Sapporo Susukino Minami) operated by the Target in Japan at present and it is not easy for the Target to implement large-scale cost reductions through further withdrawal of its hotels. In addition, the Target has already implemented various cost reduction measures such as reducing the number of employees, terminating the lease contract of the head office, and switching subcontractors, etc. and therefore, it is difficult for the Target to implement large-scale cost reductions on its own. As described in the “Announcement of Execution of Memorandum Concerning Sale of Shares of a Consolidated Subsidiary of Our Company” announced by the Target on July 28, 2022, the Target, from the viewpoint of reviewing the Target's global strategy and securing the Target's working capital in the future, has executed a memorandum of understanding with Polaris Holdings Co., Ltd., which is engaged in business activities mainly in the hotel business and real estate business, on the same date concerning the sale of all shares of Red Planet Hotels Manila Corporation, a consolidated subsidiary of the Target, which has been engaged in hotel construction work in the Philippines that has not progressed due to the shortage of working capital described in (2) above. However, as of the date of filing of this Statement, the execution date of the share purchase agreement has not been determined. The Target plans to enter into a share purchase agreement with Polaris Holdings Co., Ltd. on September 30, 2022. In addition, the parties set out conditions precedent to obtain the prior written consent of Asian United Bank, a local bank in the Republic of the Philippines that has provided a loan to Red Planet Hotels Manila Corporation, for the sale of all shares of Red Planet Hotels Manila Corporation.

Given the circumstances described above, in order to improve the Target's performance and financial condition, it is necessary to (i) strengthen its financial base through obtaining financial support such as working capital financing and capital underwriting, and (ii) improve profitability by strengthening the hotel business and new business, and immediate implementation of these measures is the urgent task for the Target.

In this regard, EVO FUND has expressed to the Target that, if the Tender Offer is implemented, : (i) it is prepared to provide financial support to the Target by providing loans and (or) subscribing for new shares at the request of the Target 's management, while depending on the results of due diligence scheduled after the completion of the Tender Offer; it will support the policies of the Target's management to avoid delisting because the Target's Common Shares have been placed on a grace period for delisting due to insolvency, and it intends to continue to provide working capital financing to the Target as long as the Tender Offer is completed within a reasonable period; (ii) it will endeavor to understand the changing environment surrounding the Target and the Target's business plan in such environment by exchanging opinions with the Target's management on a

regular basis, and intends to support the Target and cooperate with the Target's management in developing the Target's current hotel business and new business other than the hotel business; and (iii) it intends to have the Target's management led by Mr. Gerovich continue to perform the duties after the Tender Offer is consummated and leave the composition of the board of directors after the Tender Offer to the judgment of the Target's management, and there are no plans to change the Target's organizational and governance systems after the Tender Offer.

In view of the above points, the Target believes that the implementation of the Tender Offer will increase the possibility of quickly tackling the Target's urgent management task mentioned above, and thereby contribute to the maintenance and enhancement of the Target's corporate value, because the Target expects to (i) maintain the listing of the Target's Common Shares and strengthen its financial base through EVO FUND's financial support such as working capital financing and capital underwriting and (ii) improve profitability by strengthening the hotel business and new businesses even though no specific business is being considered as of the date of filing of this Statement, in light of the necessity to start a new business other than the hotel business in order to compensate for the contraction of the hotel business, through the utilization of EVO FUND's network in the Japan business and introduction of new business and business strategies from EVO FUND while securing independence of the management of the Company. With respect to above (i), the Offeror intends to implement due diligence after completion of the Tender Offer. However, the Target, as stated above, has determined, at its board of directors meeting held on August 19, 2022, that the Target's financial base can be expected to be strengthened through financial support such as working capital loans and capital subscription from EVO FUND by conducting the Tender Offer given the fact that (i) the Offeror has already provided financial support to the Target from the past to the present, (ii) the Offeror has already completed the initial due diligence, and the financial support would only be difficult if the Offeror discovers any abnormalities in the business operation that the Offeror was not aware of before in the above due diligence, (iii) it is normal to conduct due diligence upon conducting financial support (iv) there is no time to spare given the Target's exhaustion of working capital and no third party other than the Offeror has made a specific and practical support proposal and no other effective and concrete options have been found.

In addition, given the current critical business and financial situation, the Target determined, at its board of directors meeting held on August 19, that there is no alternative superior to the Tender Offer after taking into account the facts that, (i) it is necessary to immediately obtain the aforementioned support from EVO FUND, (ii) no proposal for specific and feasible support has been received from any third party other than EVO FUND, and (iii) the Target and EVO FUND have already established a friendly relationship since the Target's shares and the 8th series share acquisition rights (with exercise price adjustment provision) were subscribed by EVO FUND on July 25, 2019 and the Target has also obtained a working capital loan from EVOLUTION JAPAN Asset Management Co., Ltd., an affiliate of EVO FUND.

On the other hand, the disadvantages of the Tender Offer are that, in case the Offeror is to sell the Target's Common Shares in the market after the Tender Offer, there is a concern that the share price will plummet due to a large-scale short-term sale, and that the corporate value of the Target will be damaged by resale to a third party, whether within or outside the market, that will damage the corporate value of the Target. In this regard, the Offeror intends to consider long-term holding, immediate sale or partial sale of the Target's Common Shares to be acquired through the Tender Offer, depending on market conditions (the Offeror does not expect to sell to a single, specific third party), and has indicated to the Target that it has no fixed holding policy. The Target, in its position as the issuing company, does not have the authority to control changes in the shareholder composition through the transfer of shares, and has determined that the share price after the Tender Offer should be maintained not by restricting the transfer of shares and the shareholder composition, but by improving profitability through business operations. In addition, since, under the current situation, there is a reasonable possibility that REVOLUTION may acquire 37,542,453 shares of the Target's Common Shares (Shareholding Ratio of 65.04% as of the date filing of this Statement) through the exercise of a pledge and then sell them both

within and outside the market, the Target has determined that there is little ground to determine that the corporate value of the Target or the interests of the Target's minority shareholders would be harmed by the transfer of shareholders to the Offeror. The Offeror and the Target have stated that they intend to maintain the listing of the Target's Common Shares even after the Tender Offer is completed. Please refer to "(7) Prospects for delisting and its reasons" for the relationship with the standards for listing maintenance.

Another disadvantage of the Tender Offer is that the elimination of the capital relationship between the Target and RPHP may have an impact on the transactions between the Target and RPHP or its subsidiaries. As of the date of filing of this Statement, no specific discussions of a policy have been made between the Target and RPHP or its subsidiaries regarding transactions between the Target and RPHP or its subsidiaries after the Tender Offer. However, regarding the use of the "Red Planet" brand, Red Planet Hotels Japan Co., Ltd., a consolidated subsidiary of the Target that operates hotels under the "Red Planet" brand, concluded a memorandum with Red Planet International Limited, a subsidiary of RPHL, on July 20, 2022, to the effect that the "Red Planet" brand may be used in Japan without charge. Accordingly, even if the capital relationship between the Target and RPHP is terminated due to the implementation of the Tender Offer, there is a guarantee that the "Red Planet" brand hotels in Japan can still be operated. In addition, the amount of the transaction excluding the license of the "Red Planet" brand is immaterial, and the above-mentioned impact is limited because the Target's operational dependence on RPHP and its subsidiaries is low.

As described above, after careful consideration of EVO FUND's policy of supporting the Target, management policy, and policy for holding the Target's Common Shares after the Tender Offer, the Target determined that becoming a consolidated subsidiary of the Offeror through the Tender Offer and promptly implementing measures such as increasing profitability and reducing costs through strengthening the Target's financial base and the hotel business or new business with EVO FUND's support while maintaining the listing of the Target's Common Shares would resolve the Target's management issues and contribute to maintaining and enhancing the Target's corporate value. Accordingly, the Target resolved at its board of directors meeting held on August 19, 2022 to express an opinion in favor of the Tender Offer in the event that the Tender Offer is commenced.

On the other hand, on the board of directors meeting of the Target held on August 19, 2022, it was resolved to take a neutral position as to the reasonableness of the Tender Offer Price and the SAR Purchase Price and leave it to the judgement of the Target's shareholders and the holders of the SARs as to whether or not they apply for the Tender Offer, considering that (1) as the Tender Offer Price was finally determined upon discussions and negotiations, etc. between the Offeror and RPHP, the Target did not request a third-party valuation institution to calculate the share value and as a result, (i) the Tender Offer Price is substantially below the market price and there is no economic advantage for the minority shareholders of the Target to apply for the Tender Offer; (ii) the Target has not independently verified whether the Tender Offer Price appropriately reflects the corporate value of the Target; and (iii) it is reasonable for the shareholders of the Target to take the option of holding the Target's Common Shares after the Tender Offer as the Target will continue to maintain the listing of the Target's Common Shares after the Tender Offer is established, and (2) the SAR Purchase Price is set at JPY 1 because the exercise price of the SARs of JPY 530 exceeds the Tender Offer Price of JPY 11.

### (3) Material agreements regarding the Tender Offer

#### (i) Tender Offer Agreement

In connection with the Tender Offer, the Offeror has concluded the Tender Offer Agreement, concerning the implementation of the Tender Offer by the Offeror and the subscription thereto by RPHP, with regard to the Shares to be Tendered by RPHP (40,692,453 shares, Shareholding Ratio: 70.50%) as of August 19, 2022. The overview of the Tender Offer Agreement is as follows.



For the avoidance of doubt, there is no contract or agreement regarding the Tender Offer other than the Tender Offer Agreement, and there is no benefit to be provided by the Offeror or its related parties to RPHP or its related parties other than the money to be obtained by tendering for the Tender Offer.

(A) Implementation of the Tender Offer by the Offeror

The Offeror shall commence the Tender Offer, subject to the satisfaction of all of the following conditions; provided, however, that any of such conditions may be waived at the Offeror's discretion:

- (a) The Target shall have obtained an opinion from the independent special committee in the Target to the effect that he recommends that the Target's board of directors resolve to approve and express an opinion in support of the Tender Offer and that the resolution by the Target's board of directors to express the above-mentioned opinion in support of the Tender Offer would not be disadvantageous to the Target's minority shareholders;
- (b) The Target's board of directors shall have adopted a resolution to express an opinion to support the Tender Offer without making any objections to the Offeror; and
- (c) The Target's board of directors shall not have withdrawn or changed the resolution to express an opinion in support of the Tender Offer.
- (d) The representations and warranties of RPHP set forth in the Tender Offer Agreement (Note 1) are true and correct in all material respects;
- (e) RPHP has duly performed in all material respects each of the obligation required to be performed by it under the Tender Offer Agreement (Note 2); and
- (f) No temporary restraining order, preliminary or permanent injunction or other order preventing the completion of the Tender Offer is in effect.

(Note 1) RPHP has made representations and warranties to the Offeror as of the execution date of the Tender Offer Agreement regarding (a) lawful establishment and valid continuation of RPHP, (b) RPHP's retention of valid power and authority for the conclusion and performance of the Tender Offer Agreement, (c) the validity, legal binding power and enforceability of the Tender Offer Agreement, (d) no conflict with the laws and regulations in relation to the conclusion and performance of the Tender Offer Agreement, (e) lawful and valid ownership in the Shares to be Tendered by RPHP and non-existence of encumbrance thereon, (f) no insolvency or bankruptcy proceedings, and (g) RPHP's compliance with laws and non-existence of events for delisting.

(Note 2) Under the Tender Offer Agreement, RPHP bears the obligations of (a) subscribing in the Tender Offer according to the Tender Offer Agreement, (b) exercising its voting rights at the Target's general meeting of shareholders for the record date of March 31, 2022 as instructed by the Offeror concerning the Shares to be Tendered by RPHP, (c) notification upon the occurrence of material breach of the Tender Offer Agreement or circumstances preventing the completion of the Tender Offer, (d) holding confidential information (restriction of disclosure to third parties), and disclosing information regarding the Tender Offer after agreement with the counterparty, (e) not transferring its rights and obligations under the Tender Offer Agreement, and (f) cooperation regarding tax filings.

(B) Subscription to the Tender Offer by RPHP

RPHP shall, by the end of the term for the purchase pertaining to the Tender Offer, apply to the Tender Offer in respect of all of the Shares to be Tendered by RPHP, and shall not withdraw such application, subject to the satisfaction of all of the following conditions; provided, however, that any of such conditions may be waived in writing at RPHP's discretion..

- (a) The Tender Offer has been commenced in accordance with the Tender Offer Agreement, the Offeror has appropriately complied with all obligations prescribed by applicable laws with regard to the Tender Offer, and the Tender Offer has not been withdrawn;
- (b) the representations and warranties of the Offeror set forth in the Tender Offer Agreement (Note 3) are true and correct in all material respects;
- (c) RPHP is not aware of any insider information (meaning "material fact about the business" prescribed in Article 166, Paragraph 2 of the Act, pertaining to the Target, and "the fact that a Tender Offer, etc. will be launched or the fact that a Tender Offer, etc. will be suspended" prescribed in Article 167, Paragraph 2 of the Act, pertaining to the Target's Common Shares);
- (d) the Offeror has duly performed in all material respects each of the obligation required to be performed by the Offeror under the Tender Offer Agreement (Note 4); and
- (e) no temporary restraining order, preliminary or permanent injunction or other order preventing the completion of the Tender Offer is in effect.

(Note 3) The Offeror has made representations and warranties to RPHP regarding (a) lawful establishment and valid continuation of the Offeror and its retention of powers necessary for business operation, (b) the Offeror's retention of valid power and authority for the conclusion and performance of the Tender Offer Agreement, (c) the validity, legal binding power and enforceability of the Tender Offer Agreement, and (d) no conflict with the laws and regulations in relation to the conclusion and performance of the Tender Offer Agreement.

(Note 4) Under the Tender Offer Agreement, the Offeror bears the obligations of (a) initiating the Tender Offer according to the Tender Offer Agreement, (b) payment of consideration for the Shares to be Tendered by RPHP, (c) notification upon the occurrence of material breach of the Tender Offer Agreement or circumstances preventing the completion of the Tender Offer, (d) holding confidential information (restriction of disclosure to third parties), and disclosing information regarding the Tender Offer after agreement with the counterparty, (e) not transferring its rights and obligations under the Tender Offer Agreement, and (f) cooperation regarding tax filings.

#### (4) Transfer to third parties

Following the Tender Offer, the Offeror may transfer all or part of the Shares to be Tendered by RPHP to EVO FUND for the proper allocation of investments within Evolution Financial Group. The details, such as the timing of implementation and the number of the Shares to be Tendered by RPHP regarding the transfer from the Offeror to EVO FUND is undetermined as of the date of filing of this Statement. As of the date of filing of this Statement, although the Offeror intends to hold the Target's Common Shares to be acquired through the Tender Offer for the long term, or to consider immediate sale or partial sale of the Target's Common Shares depending on the market conditions (we do not assume selling to a certain single third party.), the Offeror does not plan to transfer to EVO FUND all or part of the Shares to be Tendered by RPHP after the Tender Offer, and the Offeror does not plan to transfer all or part of the Shares to be Tendered by RPHP to any person other than EVO FUND, either.

EVO FUND is the wholly-owning parent company and sole equity member of the Offeror, and as of the date of filing of this Statement, hold 30 shares (Shareholding Ratio: 0.00%) of the Target's Common Shares but does not hold any of the SARs. As of the date of filing of this Statement, EVO FUND does not plan to transfer all or part of the Target's Common Shares held by EVO FUND to any third party after the Tender Offer. The outline of EVO FUND is as described below.

## (i) Overview of EVO FUND

Date	History
December, 2006	Name of fund: EVO FUND Address: c/o Intertrust Corporate Services (Cayman) Limited One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands

## (ii) Business purpose of EVO FUND and the content of its business

EVO FUND is a fund established in December 2006 under the laws of the Cayman Islands for the purpose of investment business. EVO FUND invests in the Japanese market mainly through its affiliate EVOLUTION JAPAN Asset Management Co., Ltd. (Kazuko Miyashita, Representative Director, 4-1 Kioi-cho, Chiyoda-ku, Tokyo).

## (iii) EVO FUND's amount of paid-in capital and total number of issued shares

As of August 22, 2022

Amount of paid-in capital and total number of issued shares	Total number of issued shares (shares)
USD 83,925,419.85	258,081.4066 shares

## (iv) Large shareholders

As of August 22 2022

Name	Address	Type/number of shares held	Shareholding ratio (%)
Michael Lerch	703 Champagne Rd, Incline Village, NV 78451, USA	Class A Participating Share) / 258,081.4066	100.00
Evolution Japan Group Holding Inc.	Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands	Management Share/ 1	100.00
Total	—		

(Note) The shares held by Mr. Lerch are Class A Participating Shares, which are non-voting shares, while the shares held by Evolution Japan Group Holding Inc. are Management Shares, which have only voting rights. Mr. Lerch indirectly holds all of the shares of Evolution Japan Group Holding Inc. through a holding company.

## (v) Details of officers

As of August 22, 2022

Title	Position	Name	Date of Birth	Professional Background	Number of shares held (shares)
Director	—	Michael Lerch	January 20, 1971	Sep. 1994 ING-Barings, Option trader Jun. 1996 Merrill Lynch Mar. 1998 Credit Agricole Indosuez, Managing director of Equity Derivatives Trading and Asian Structured Finance Mar. 2001 Lehman Brothers, Asia Program Trading and Index Arbitrage May 2002 Evolution Capital Management LLC	258,081.4066

Title	Position	Name	Date of Birth	Professional Background	Number of shares held (shares)
				Dec. 2006 EVO FUND, Director (current position)	
Director	—	Richard Chisholm	October 18, 1969	Dec. 1997 Latham and Watkins LLP Jul. 1999 Venture Law Group Jan. 2002 Kelley Drye & Warren Jul. 2003 Patton Boggs LLP Mar. 2004 Starn, O'Toole Marcus & Fisher Jun. 2005 Evolution Capital Management LLC, Chief Executive Officer (current position) Mar. 2009 EVO FUND, Director (current position)	—
Total					—

(5) Measures to ensure fairness of the Tender Offer and prevent conflict of interest

According to the Target's Press Release, Target has taken the following measures to eliminate arbitrariness and avoid conflicts of interest in the decision-making process regarding the Tender Offer and to ensure the fairness of the Tender Offer, given that RPHP, which is Target's controlling shareholder (parent company), has entered into the Tender Offer Agreement with the Offeror and therefore may not have the same interests as those of Target's minority shareholders.

(i) Establishment of an independent special committee in the Target

According to the Target's Press Release, Target's expression of opinion with respect to the Tender Offer is in relation to the expression of opinion on the Tender Offer, which will be conducted on the premise that the Offeror will acquire all of the Target's Common Shares held by RPHP, the controlling shareholder of the Target, and thus the Tender Offer constitutes a "material transaction, etc., with a controlling shareholder" as defined in the TSE's Code of Corporate Conduct, and therefore, in order to eliminate arbitrariness in the decision-making process regarding the Tender Offer and to ensure the fairness, transparency and objectivity of the decision-making process of the Target, on June 28, 2022, the Target established a special committee consists of three members, namely, Mr. Kunihiko Makita (outside director of Target) and Mr. Masaya Takakuwa (outside auditor of Target) who are designated as an independent directors pursuant to the registration with the TSE, and who does not have any interest in and highly independent from RPHP and RPHL, as well as the Offeror, EVO FUND and other Evolution Financial Group, and Makoto Kumazawa (attorney-at-law, Shin Saiwai Law Office), an outside expert independent from the Target, RPHP and RPHL, as well as the Offeror, EVO FUND and other Evolution Financial Group (The Target has selected these three members of the third-party committee since its establishment, and there has been no change in the members of the third-party committee. In addition, the members of the third-party committee who are officers of the Target do not receive any remuneration for their duties as members of the committee other than the normal executive remuneration, and the remuneration system for outside experts is a fixed remuneration system and does not include any contingency fee.), and consulted the special committee, with respect to the policy for expressing its opinion on the Tender Offer that the Target believes should be made by the Target's board of directors, regarding: (A) to consider whether the Target's board of directors should consent to the Tender Offer, recommend to tender for the Tender Offer and make a recommendation to the Target's board of directors; and (B) to consider whether the resolution of the Target's board of directors regarding the Tender Offer may be disadvantageous to minority shareholders and to express its opinion to the Target's board of directors (the "Consulted Matters"). In the

resolution of the Target's board of directors' meeting that established the special committee, it was resolved to respect the opinions of the special committee to the maximum extent possible and not to make a decision to conduct the Tender Offer if the special committee determines that the Tender Offer is not appropriate. In the same board resolution, the board also granted the special committee the authority described below.

(i) Authority to make sure that, in the course of the Target's discussion and negotiation with the Offeror regarding the terms and conditions of the Tender Offer, the special committee shall be informed of the policy in advance and the status of the discussions and negotiations in a timely manner, and the Target receives the opinions, instructions and requests of the special committee at critical junctures, and to request to the Target that (a) the Target communicate the special committee's proposals and other opinions or questions to the Offeror; and (b) the Target set up opportunities for the special committee to discuss with the Offeror directly;

(ii) Authority to select its own financial, legal, or other advisors at the Target's expense if the special committee considers it necessary;

(iii) Authority to approve (including to give post-approval) advisors selected by the Target;

(iv) Authority to investigate the Tender Offer (including asking questions and seeking explanations or advice on matters necessary to consider and decide on the Consulted Matters from officers or employees of the Target related to the Tender Offer or advisors of the Target related to the Tender Offer) at the expense of the Target; and

(v) Authority to consider the extent of measures to ensure fairness that should be taken for the Tender Offer and to provide opinions and recommendations as necessary.

The special committee has held a total of 4 meetings from July 7, 2022 to August 18, 2022, in response to the Target's explanation regarding the Tender Offer, and has considered the above-mentioned consulted matters. As a result of the discussions, the special committee submitted an opinion to the Target's board of directors on August 18, 2022, which essentially contains the following:

(a) The Tender Offer is consistent with the Target's business, business environment and recent management issues, and the execution of the Tender Offer as below will contribute to the maintenance and improvement of the corporate value of the Target and the decision of the Target is reasonable and therefore agreeable.

A) The special committee is also aware that the Target's management issues are the need to (i) strengthen the financial base through working capital loans, capital underwriting and other financial support and (ii) improvement of revenue through the enhancement of the hotel business or new businesses and that these measures need to be implemented immediately.

In addition, in light of the fact that EVO FUND, which has a track record of having conducted a number of finance transactions with Japanese listed companies, has a network in Japan, and has provided financial support to the Target, has expressed its intention to provide financial support and cooperation in the development of the hotel business and new businesses, the Target's decision that the implementation of the Tender Offer will increase the possibility of contributing to overcoming the above management issues and thereby contribute to maintaining and improving the corporate value of the Target is reasonable and thus agreeable.

The Offeror Group will conduct due diligence after the completion of the Tender Offer, and until this is completed, the Offeror Group cannot make a commitment to provide financial support, and it cannot be denied that there is some uncertainty as to whether the financial base will be strengthened through the Tender Offer. In this regard, the Target has stated that given the fact that the Offeror has already provided financial support to the Target from the past to the present, the Offeror has already completed the initial due diligence, and that if the Offeror discovers any abnormalities in business operations that the Offeror was not previously aware of during the above due diligence, the Offeror will simply determine that it will not be able to provide financial support, it is normal to conduct due diligence upon conducting financial support, there is no time to spare

given the exhaustion of the Target's working capital, and the Target has not received a proposal for support with concreteness and feasibility from a third party other than the Offeror and has not found any other effective concrete options, it determined that by implementing the Tender Offer, it expected to strengthen the financial base of the Target through financial support such as funding of working capital from EVO FUND and capital underwriting. In light of the Target's written responses to the written questions from the special committee, the Target's decision is reasonable.

- B) With regard to the assumed disadvantages, the disadvantages that the Tender Offer will have on the corporate value of the Target are minimal, and at the least, there are no circumstances that are sufficient to find that significant disadvantages will arise from the Tender Offer to the corporate value of the Target or the interests of minority shareholders.
- C) As mentioned above, it is reasonable to believe that the execution of the Tender Offer will contribute to the maintenance and improvement of the Target's corporate value; however, the Target may be inclined to integrate with a third party other than the Offeror.

In this regard, the Target, given its current critical business and financial situation, in light of the fact that it needs to immediately receive all of the support from EVO FUND, has not received any proposal of support with specificity and feasibility from any third party other than EVO FUND, and there already is a friendly relationship between the Target and EVO FUND, believes that there is no alternative that is superior to the Tender Offer.

Since the global outbreak of Covid-19, the Target requested financial support from RPHP, the parent company of the Target, and its parent company, RPHL, in order to overcome the said situation. However, the parent company groups' business situation has also deteriorated as it also specializes in the hotel business, and responded that it could not financially support the Target Group. In addition, after the same period, although the Target requested financing from financial institutions, they did not accept the request due to the Target's financial condition and other factors. Given the Target's performance and financial condition, the feasibility of a public offering through the capital market was extremely low, and no sponsor to provide capital support to the Target appeared after 2021.

In the current situation where REVOLUTION, of which EVO FUND is the largest shareholder, can acquire 37,542,453 shares of the Target's Common Shares (current ratio of 65.64%), we do not believe it is likely that a third party other than the Offeror Group will emerge as the new sponsor.

EVO FUND has a track record of providing financial support, the Target having received from EVO FUND the shares of July 25, 2019, and having underwritten the 8th series stock acquisition right (subject to a clause to adjust the exercise price), as well as receiving working capital from EVO FUND's affiliate, EVOLUTION JAPAN Asset Management Co.

In light of the above, there is nothing unreasonable in the Target's decision that there are no effective alternatives to the Tender Offer.

- (b) In the Tender Offer, various measures to ensure fairness are performed such as the establishment of a special committee that is independent from the Target, RPHP and RPHL as well as the Offeror, EVO FUND and other Evolution Financial Group (including practical measures taken to increase the effectiveness of the special committee), the appointment of legal advisor who is independent from the Target, RPHP and RPHL as well as the Offeror, EVO FUND and other Evolution Financial Group, the acquisition of professional advice, the ensuring of opportunities for acquisition proposal after the public announcement of the Tender Offer, the exclusion of officers and employees of the Target who have any interests in the Tender Offer from considerations, negotiations and resolution of the Tender Offer, the unanimous consent resolution of all officers of the Target who have no interest in the Tender Offer, and the increase in transparency of process through sufficient information disclosure to general shareholders.

In light of conflicts of interests based on specific circumstances of the Tender Offer, the relevant measures to ensure fairness are sufficient in substance and composition in light of both (i) ensuring

circumstances that are equivalent to arm's length transaction in the process of formation of transaction terms and conditions, and (ii) ensuring opportunities to general shareholders to make proper decisions based on sufficient information, and are in fact effectively operated.

Therefore, arrangements with sufficient consideration to the benefit of general shareholders of the Target are taken in the Tender Offer through fair procedures.

- (c) (i) The Tender Offer is 1) not a conflict of interest transaction in terms of structure, 2) since the so-called squeeze-out by two-step acquisition is not expected, and the Target is expected to remain listed even after the successful completion of the Tender Offer, the Target's minority shareholders are ensured freedom to tender (i.e. freedom to not tender their shares in the Tender Offer and retain their position as the shareholder of the Target, the listed company), 3) given the specific circumstances of the Tender Offer, RPHP which has entered into the Tender Offer Agreement with the Offeror and agreed to tender shares in the Tender Offer and the Offeror are so-called independent parties, and the Tender Offer is basically recognized as a transaction similar to arm's length transactions, and also, since necessary and sufficient measures to ensure fairness (including the involvement of the special committee) were taken in the process of formation of the terms and conditions of the Tender Offer, it can be recognized that reasonable efforts were made to conduct the Tender Offer under the most advantageous terms and conditions for general shareholders as possible while also enhancing the corporate value; and (ii) given the scheme and other transaction terms and conditions (excluding the Tender Offer Price), the purchase consideration, purchase method and other various terms and conditions of the Tender Offer are not disadvantageous to the Target's minority shareholders and are appropriate.

Accordingly, the terms and conditions of the Tender Offer are appropriate.

- (d) Given the above, it would be reasonable for the Target's board of directors to express its opinion in favor of the Tender Offer; provided, however, that since the Tender Offer Price is a discounted market price and there is no economic benefit in tendering shares in the Tender Offer, and the Target also has not obtained the share valuation report or made other examinations, the opinion on whether the Tender Offer Price for the Target's Common Shares and the SAR Purchase Price are appropriate will be withheld, and it is reasonable to express an opinion to leave the decision to the minority shareholders and holders of SARs on whether or not to accept the Tender Offer.

Moreover, it would not be disadvantageous to the Target's minority shareholders if the Target's board of directors resolved to express the above opinion regarding the Tender Offer.

- (ii) Advice from a law firm independent of the Target

According to the Target's Press Release, in order to obtain expert advice on the fairness and appropriateness of the procedures in the decision-making process regarding the Tender Offer, the Target officially appointed Shiomizaka Sogo Law Office, a legal advisor independent from the Target, RPHP, RPHL as well as the Offeror, EVO FUND and other Evolution Financial Group, in accordance with the resolution of the Target's board of directors meeting held on June 28, 2022, and receives necessary legal advice from the law firm regarding the decision-making method and process of the Target's board of directors regarding the Tender Offer and other points to consider in its decision-making. In addition, the fees paid to the law firm are on an hourly basis and do not include any contingency fees.

- (iii) Approval of all of the directors of the Target who have no interest and an opinion of all of the corporate auditors of the Target who have no interest to the effect that they have no objection

According to the Target's Press Release, in response to the Offeror's proposal for the Tender Offer, after careful consideration of the terms and conditions of the Tender Offer by the Offeror, based on considerations regarding the enhancement of the Target's corporate value, the Offeror's intentions, and legal advice received from Shiomizaka Sogo Law Office, the Target's legal advisor, and the contents of the

Opinion submitted by the special committee as described in "(i) Establishment of an independent special committee in the Target" under "(5) Measures to ensure fairness of the Tender Offer and prevent conflict of interest" above, and the contents described in "(ii) Management policy after the Tender Offer" under "(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer" above, in the meeting of the Target's board of directors held on August 19, 2022, Target's board of directors, expressed an opinion in favor of the Tender Offer and resolved that it reserves its opinion on the appropriateness of the Tender Offer Price and SAR Purchase Price and that the decision of whether or not to tender shares in the Tender Offer is left to the discretion of shareholders and holders of stock acquisition rights, as described in "(iii) Decision-making process and reasons for the Target's support of the Tender Offer" under (2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer" above.

All three (3) of the five (5) directors, excluding Mr. Gerovich and Mark Reineck, who do not have interest, participated in the above board of directors, and the resolution of the above board of directors was made by unanimous vote of the participating directors. Considering the fact that Mr. Gerovich who is the representative director of the Target and Mark Reineck who is a director of the Target are also directors of RPHP, the parent company, in order to enhance fairness, transparency and objectivity in the decision-making of the board of directors regarding the Tender Offer and to avoid conflicts of interest, they have not participated in any deliberations or resolutions on any agenda related to the Tender Offer so far, and have not participated in any discussions or negotiations with the Offeror on behalf of the Target, either.

In addition, all three corporate auditors of the Target stated their opinion that they have no objection to the above resolution in the board meeting.

(6) Whether or not to acquire additional shares, etc. in the Target after the Tender Offer

The Offeror is to conduct the Tender Offer for the purpose of acquiring the Shares to be Tendered by RPHP, and does not plan to make any additional acquisition of the Target's Common Shares and the SARs after the Tender Offer.

(7) Prospects for delisting and its reasons

As of the date of filing of this Statement, the Target's Common Shares are listed on the Standard Market of the TSE. The Tender Offer is not being made with the intention of delisting the Target's Common Shares, and the Offeror and the Target plan to maintain the listing of the Target's Common Shares after the completion of the Tender Offer. However, since the percentage of ownership of share certificates after the accomplishment of the Tender Offer will be two-thirds (2/3) or more, which would give rise to the obligation to solicit to tender all shares and the obligation to purchase all tendered shares pursuant to Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Enforcement Order, and Article 27-13, Paragraph 4 of the Act and Article 14-2-2 of the Enforcement Order, no maximum limit is set on the number of tendered shares to be purchased. Accordingly, depending on the results of the Tender Offer, the Target's Common Shares may not satisfy (ii) and (iv) among (i) through (vi) of the following listing maintenance criteria for the Standard Market of the TSE (Rule 501, paragraph 1, item 1 of Securities Listing Regulations):

- (i) The number of shareholders shall be 400 or more as of the end of business year of the listed company;
- (ii) The number of tradable shares shall be 2,000 units or more as of the end of the business year of the listed company (The term "tradable shares" refers to shares as defined in the Securities Listing Regulations, and the same shall apply in (iii) and (iv) below.);
- (iii) The market capitalization of tradable shares shall be JPY 1 billion or more as of the end of business year of the listed company;
- (iv) The number of tradable shares shall be 25% or higher of the number of listed stocks, etc., as of the end



of business year of the listed company;

- (v) The monthly average trading volume of the listed stocks, etc., for six (6) months prior to the end of June and prior to the end of December of every year shall be 10 units or more;
- (vi) The amount of net assets shall be positive as of the end of business year of the listed company.

In such case, in order to ensure the maintenance of the listing of the Target's Common Shares, the Offeror will discuss and consider in good faith with the Target how to avoid delisting, and take the best measures to maintain the listing of the Target's Common Shares, including selling a portion of the acquired shares of the Target's Common Shares in the market upon failure to meet such criteria. With respect to the details of the above measures and the terms and conditions of implementation thereof, no specific assumptions or considerations are being made at this point.

#### 4. Tender Offer Period, Price and Number of Shares to be Purchased

##### (1) Tender offer period

###### (i) Period set at the time of filing

Tender Offer Period	From August 22, 2022 (Monday) through September 16, 2022 (Friday) (20 business days)
Date of public notice	August 22, 2022 (Monday)
Name of newspaper in which public notice is to appear	Public notice will be made electronically, and such fact will be published in <i>The Nihon Keizai Shimbun</i> . The URL of the website on which the electronic public notice will be posted is as follows: <a href="http://disclosure.edinet-fsa.go.jp/">http://disclosure.edinet-fsa.go.jp/</a>

###### (ii) Possibility of extension of the Tender Offer Period at the request of the Target

If the Target submits a position statement requesting extension of the Tender Offer Period pursuant to Article 27-10, Paragraph 3 of the Act, the Tender Offer Period will be extended to 30 business days, ending on October 4, 2022 (Tuesday).

###### (iii) Contact to confirm whether the Tender Offer Period is extended

Contact: Evolution Japan Securities Co., Ltd.  
Phone: 03-4510-3350  
(Contact person: Masanobu Tsujiie, Head of Business Administration Division)  
Service hours for confirmation: 9:00 a.m. - 5:00 p.m. on weekdays

##### (2) Price of tender offer, etc.

Share certificates	JPY 11 per common share
Certificate of stock acquisition rights	JPY 1 per SAR
Certificate of corporate bonds with stock acquisition rights	-

Beneficiary certificate of trust of shares ( )	-
Depository receipt for shares ( )	-
Basis of calculation	<p>(i) Common shares</p> <p>Given that the principal purpose of the Tender Offer is to acquire the Shares to be Tendered by RPHP (40,692,453 shares, Shareholding Ratio: 70.50%), the Offeror adopted a policy of setting the Tender Offer Price at a price agreeable to the Offeror and RPHP. Under such policy, the Offeror engaged in consultations and negotiations with RPHP, as stated in "(b) Consultation between the Offeror, the Target, RPHP and the decision-making process of the Offeror" under "(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer" under "3. Purposes of Tender Offer" above, taking into account the Target's liquidation value analysis conducted by REVOLUTION of the value of 37,542,453 shares of the Target's Common Shares that served as collateral for the Bonds when REVOLUTION subscribed for the Bonds from RPHP on December 10, 2021, and calculated the total value to be 400 million yen (10.6 yen per share of the Target's Common Shares), and on March 16, 2022, the parties agreed to set the Tender Offer Price at JPY 11 (the Tender Offer Price of JPY 10.6 proposed by EVO FUND on March 6, 2022, rounded up to the nearest whole number). On August 19, 2022, the Offeror finalized the Tender Offer Price of JPY 11 per share.</p> <p>The Offeror has not obtained a share valuation report from a third party valuator because it determined the Tender Offer Price through consultations and negotiations with RPHP with comprehensive consideration given to the above mentioned factors.</p> <p>The Tender Offer Price (JPY 11 per share) represents a discount of 80.36% (rounded to the second decimal place; hereinafter the same in the calculation of discount rates) on JPY 56, which is the closing price of the Target's Common Shares on the Standard Market of the TSE on August 18, 2022, i.e. the business day immediately preceding the announcement date of the Tender Offer, 79.25% on JPY 53, which is the simple average closing price for the one-month period ending on that day (rounded to the closest whole number; hereinafter the same in the calculation of simple averages of closing prices), 80.00% on JPY 55, which is the simple average closing price for the three-month period ending on that day, and 80.00% on JPY 55, which is the simple average closing price for the six-month period ending on that day.</p> <p>The Tender Offer Price represents a discount of 80.00% on JPY 55, which is the closing price on August 19, 2022, i.e. the business day preceding the date of filing of this Statement.</p>

As stated in "(b) Consultation between the Offeror, the Target, RPHP and the decision-making process of the Offeror" under "(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer" under "3. Purposes of Tender Offer" above, on July 25, 2019, EVO FUND subscribed for 300,000 shares of the Target's common share at a price of 133 yen per share. In this case, the acquisition price was calculated based on the market price (133 yen) on July 8, 2019, the business day immediately preceding the resolution date for the issuance of the Target's common share. On the other hand, although the Tender Offer Price is 11 yen per share (which is 122 yen, or 91.73%, lower than the issue price of 133 yen for the common shares subscribed on July 25, 2019), this is because the closing price of the Target's common shares on August 19, 2022, which is the business day immediately preceding the filing date of this document, was 55 yen, which is 58.65% lower than the closing price on July 25, 2019, and because the Tender Offer will involve the acquisition of 40,692,453 shares (Shareholding Ratio: 70.50%) of Target's common shares, it is impossible to immediately sell the Target's common shares on the market, and in light of the Target's financial condition that it has not been able to obtain an audit opinion from Yamabuki, the accounting auditor, in its financial audit for the fiscal year 2021, the Tender Offer Price must be evaluated at the amount with a discount of 80.00% on JPY 55, which is the closing price on August 19, 2022.

(ii) Stock acquisition rights

As for the SARs, since the exercise price of the SARs, which is JPY 530, exceeds the Tender Offer Price of JPY 11 and even if the Offeror acquires the SARs through the Tender Offer, the Offeror will not exercise such SARs as there is no economic benefit for the Offeror to do so, EVO FUND decided on August 19, 2022 to set the purchase price of the SARs at JPY 1 per share. The Offeror did not obtain a valuation report from a third-party appraiser in determining the purchase price of the SARs.

As stated in "(b) Consultation between the Offeror, the Target, RPHP and the decision-making process of the Offeror" under "(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer" under "3. Purposes of Tender Offer" above, EVO FUND subscribed for the 7th stock acquisition rights of the Target on October 13, 2016 (issue price: JPY 39.8 per stock acquisition right), and also subscribed for the 8th stock acquisition rights of the Target on July 25, 2019 (issue price: JPY 78 per stock acquisition right). In these cases, EVO FUND subscribed for these stock acquisition rights on the assumption that the common stock acquired upon exercise of the stock acquisition rights would be immediately sold in the market, so the acquisition price was calculated based on the market price (The reference date for the calculation of the value of 7th series stock acquisition rights as of September 26, 2016 was JPY 25, and the reference date for the

	<p>calculation of the value of 8th series stock acquisition rights as of July 8, 2019 was JPY 133.). On the other hand, since the ownership ratio of share certificates, etc. after the completion of the Tender Offer will be two-thirds (2/3) or more in the Tender Offer, the Offeror will be subject to the Tender Offer due to its obligation to solicit all shareholders and to purchase all shares pursuant to Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Cabinet Order, and Article 27-13, Paragraph 4 of the Act and Article 14-2-2 of the Cabinet Order. As for the purchase price of the SARs ("Purchase Price of the Stock Acquisition Rights"), the exercise price of the SARs, which is JPY 530, which exceeds the Tender Offer Price of JPY 11 and the the Offeror will not exercise such SARs as there is no economic benefit for the Offeror to do so, the purchase price of the SARs at JPY 1 per share (the amount is 38.8 yen less than the issue price of 39.8 yen of 7th series stock acquisition rights subscribed on October 13, 2016, and 77 yen less than the issue price of 78 yen of 8th series stock acquisition rights subscribed on July 25, 2019.).</p>
<p>Process of calculation</p>	<p>As stated in "(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer" under "3. Purposes of Tender Offer" above, from the early-July to the late-August 2021, EVO FUND and RPs held meetings nine (9) times in total to implement a Former Tender Offer as a specific scheme for realizing the acquisition of the Shares Initially Subject for Sale. EVO FUND and RPs, in the consultation to implement the Former Tender Offer, first began on considering the tender offer price if they were to conduct the Former Tender Offer. Since EVO FUND did not have any specific ideas regarding the tender offer price of the Former Tender Offer at this discussion, EVO FUND had not proposed any tender offer price for the Former Tender Offer, and on July 22, 2021, RPs proposed to EVO FUND that the tender offer price of the Former Tender Offer be set at JPY 40 per share based on the understanding that this is a reasonable figure and that a discount rate of approximately 27% on the Target's then current share price (the closing price of the Target's Common Shares on the JASDAQ (Standard) Market of the Tokyo Stock Exchange as of July 21, 2021, which was JPY 55) is sufficient as the discount rate commensurate with the risk of becoming a major shareholder of the Target in need of restructuring and holding a volume of shares that would be difficult to sell immediately on the market.</p> <p>Given the declining results of the Target due to a decrease in demand from inbound travelers as a result of COVID-19, EVO FUND believed that there was a certain possibility of a decline in the value of Target's business and risks of an outflow of its assets through seizure as a result of default on the Target's financial obligations to suppliers and creditors, and thus it believed that the discount to the book value of the Target and the possibility of further impairment in the future should be reflected in the tender offer price. Therefore, EVO FUND did not agree to the price proposed by RPs, and instead suggested on August 3, 2021 that the tender offer price of the Former Tender Offer should be set at around JPY 20 per</p>

share, which is a price calculated by adding the Target's performance to the current net value of the Target and applying a discount thereto.

EVO FUND and RPs continued discussions thereafter to consider the possibility of implementing the Former Tender Offer in order to repay RPHL's debts to the Creditor. However, the parties failed to reach an agreement regarding the tender offer price of the Former Tender Offer at this stage because there remained an issue on how to dissolve the debts with the Creditor. In early August 2021, RPs also discussed the Former Tender Offer with the Creditor, but the Creditor answered on August 16, 2021 that it would not give consent to the Former Tender Offer due to the complex credit structure of RPHL and its subsidiaries and affiliates, which consists of assets, etc. of RPHL and 36 subsidiaries and affiliates across several countries, which posed a hindrance to implementation of the tender offer. On August 18, 2021, this answer from the Creditor was shared from Mr. Gerovich to Mr. Lerch. EVO FUND came to believe that it would be difficult to implement the Former Tender Offer without obtaining consent of the Creditor, who was the main creditor of RPHL, and on the same day, it informed RPs that it will temporarily terminate discussions regarding the Former Tender Offer. Thereafter, as stated in above "(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer" under "3. Purposes of Tender Offer", EVO FUND began to believe, after comprehensively considering both the positive and negative elements in above "(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer" under "3. Purposes of Tender Offer", EVO FUND wanted to offer financial support to the Target after becoming the parent company of the Target through the Tender Offer, but on the other hand, considering the above negative elements, EVO FUND believed that the Tender Offer Price should be a price after application of a further discount on the tender offer price proposed by EVO FUND to RPs on August 3, 2021 regarding the Former Tender Offer (around JPY 20 per share). Thus, on March 6, 2022, Mr. Lerch proposed to Mr. Gerovich, who is also a director of RPHP, via email and offered consultation, that it would obtain the Shares to be Tendered by RPHP, including 25,352,453 shares of the Target's Common Shares transferred from RPHL to RPHP on December 3, 2021 (44.33% ownership of the total number of issued shares of the Target as of the same day (57,192,187 shares)) that had been planned to be sold at discussions for the Former Tender Offer, and that it would implement the Tender Offer to maintain and enforce the stability of management of the Target by having the Target become a consolidated subsidiary and by supporting the efforts for maintaining and increasing the corporate value of the Target and strengthen its involvement in and support for the Target through financial support, and that the Tender Offer Price be JPY 10.6. This Tender Offer Price was based on the estimate of the total of JPY 400,000,000 (JPY 10.6 Target's Common Share) that took into the account of the liquidation value analysis of the Target conducted by REVOLUTION when REVOLUTION underwrote the Bonds from RPHP

on December 10, 2021, with respect to the value of 37,542,453 shares of the Target's Common Shares that were collateral for the Bonds. EVO FUND believed that, if the Tender Offer Price was JPY 10.6, even if the Target's business condition did not improve, and the worst-case scenario occurs, such as bankruptcy of the Target, it would be possible to recover the minimum amount of invested capital. EVO FUND also believed that, if the Target's business condition improves with EVO FUND's support after the Tender Offer, EVO FUND would be able to obtain corresponding investment benefits (as of the filing date of this document, EVO FUND does not plan to dissolve or liquidate the Target after the Tender Offer.).

After the proposal and offer for consultation, Mr. Lerch, on the same day, received an oral communication from Mr. Gerovich that he would consult with EVO FUND on the assumption that it will apply to the Tender Offer, and on March 6, 2022, EVO FUND and RPHP resumed consultations toward the implementation of the Tender Offer. EVO FUND and RPHP discussed only on the Tender Offer Price because RPHP agreed to discuss the Tender Offer on the assumption that it would apply to the Tender Offer. Specifically, in an e-mail dated March 6, 2022, Mr. Lerch sent Mr. Gerovich a draft of the Tender Offer Agreement with the Tender Offer Price being JPY 10.6. Mr. Lerch subsequently spoke with Mr. Gerovich on March 16, 2022 and verbally expressed Mr. Lerch's understanding that the Tender Offer Price needed to be a whole number, to which both parties orally agreed that RPHP would accept the Tender Offer and that the Tender Offer Price proposed by EVO FUND of JPY 10.6 would be rounded up to JPY 11. In addition, Mr. Lerch, in an e-mail dated March 16, 2022, sent Mr. Gerovich a revised draft of the Tender Offer Agreement reflecting the oral agreement between the two parties regarding the Tender Offer Price.

In addition, SARs are also subject to the Tender Offer because the Offeror will be required to solicit and purchase all of the tendered shares pursuant to Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Enforcement Order and Article 27-13, Paragraph 4 of the Act and Article 14-2-2 of the Enforcement Order since the ownership ratio of the shares will be two-thirds (2/3) or more after the Tender Offer is consummated. However, the SAR Purchase Price is set at JPY 1 per unit of SARs because the exercise price of SARs, which is JPY 530, is higher than the Tender Offer Price, which is JPY 11 and even if the Offeror acquires the SARs through the Tender Offer, there is no possibility that the Offeror will exercise such SARs. However, since RPHP is not a holder of the SARs, no negotiations or agreements have been made with respect to the SAR Purchase Price with RPHP.

Subsequently, after the agreement was reached on the implementation of the Tender Offer and the Tender Offer Price between Mr. Lerch and Mr. Gerovich on March 16, 2022 as described above, on March 29, 2022, EVO FUND submitted a proposal to the Target's board of directors stating that it would implement the Tender Offer and the overview of the Tender Offer (class of Shares to be purchased and the Tender Offer Price) (As described

	<p>above, the consultation on the Tender Offer between EVO FUND and RPHP was conducted only pertaining to the Tender Offer Price, and they reached an agreement to set the Tender Offer Price at JPY 11 as of March 16, 2022. Thus, even after the submission of the above proposal, EVO FUND and the Offeror and the Target have had no consultation on the conditions of the Tender Offer including the Tender Offer Price.). In the early-April, 2022, EVO FUND decided that the Offeror, which was established as the wholly-owning special purpose vehicle as the entity conducting the Tender Offer, and wholly funded by EVO FUND from the viewpoint of facilitating segregation of assets management, to be the offeror of the Tender Offer.</p> <p>On August 19, 2022, EVO FUND executed the Tender Offer Agreement with RPHP as described in “(i) Tender Offer Agreement” under “(3) Material agreements regarding the Tender Offer” below, and the conditions precedent regarding the Tender Offer, which are described in the Tender Offer Agreement are satisfied or waived by the Offeror, and that the Tender Offer Price be JPY 11. In addition, since the ownership ratio of the SARs after the completion of the Tender Offer will be two-thirds (2/3) or more in the Tender Offer, the Offeror will be subject to the obligation to solicit all shareholders and to purchase all shares pursuant to Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Enforcement Order, and Article 27-13, Paragraph 4 of the Act and Article 14-2-2 of the Enforcement Order. As for the SAR Purchase Price, since the exercise price of the SARs, which is JPY 530, exceeds the Tender Offer Price of JPY 11 and the Offeror will not exercise such SARs as there is no economic benefit for the Offeror to do so, EVO FUND decided on August 19, 2022 to set the SAR Purchase Price at JPY 1 per unit of SARs.</p>
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(3) Number of shares to be purchased

Type of shares	Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
Common shares	40,692,453 (shares)	40,692,453 (shares)	-
Total	40,692,453 (shares)	40,692,453 (shares)	-

(Note 1) If the total number (excluding the number of shares subject to the SARs; the same shall apply hereinafter) of Tendered Shares fails to reach the minimum number of shares to be purchased (40,692,453 shares), the Offeror will not purchase any of the Tendered Shares. In addition, if the total number of Tendered Shares is equal to or greater than the minimum number of shares to be purchased, the Offeror will purchase all the Tendered Shares, since there is no maximum number of shares to be purchased in the Tender Offer.

(Note 2) Although the number of shares to be purchased is set equal to the minimum number of shares to be purchased (40,692,453 shares), the maximum number of the Target's shares that may be acquired by the Offeror through the Tender Offer (the "Maximum Number of Shares to be Purchased") is 57,718,457 shares, which is calculated by adding (i) the total number of the Target's issued common shares as of June 30, 2022 (57,192,187 shares), as stated in the Quarterly Report, to (ii) the number of shares underlying all the SARs remaining as of August 19, 2022 (545,000 shares in total), and deducting from such aggregate number (57,737,187 shares) the number of treasury shares owned by the Target as of June,

2022 (18,700 shares) and the number of the Target's Common Shares owned by the Offeror as of the date of filing of this Statement (30 shares).

(Note 3) Shares of less than one unit are also subject to the Tender Offer. If a shareholder exercises the statutory put option for shares less than one unit pursuant to the Companies Act (Act No. 86 of 2005, as amended), the Target may, in accordance with statutory procedures, purchase its own shares during the period for purchase in the Tender Offer (the "Tender Offer Period").

(Note 4) The Offeror has no plan to acquire the treasury shares held by the Target through the Tender Offer.

(Note 5) The SARs may be exercised by the end of the Tender Offer Period, and the Target's Common Shares to be issued or transferred upon such exercise are also subject to the Tender Offer.

## 5. Percentage of Ownership of Share Certificates after Tender Offer

Details	Number of voting rights
Number of voting rights represented by the shares to be purchased: (a)	406,924
Number of voting rights represented by potential shares included in (a): (b)	-
Number of voting rights represented by depository receipts for shares and beneficiary certificates of trust for shares included in (b): (c)	-
Number of voting rights represented by shares held by the Offeror (as of August 22, 2022) : (d)	-
Number of voting rights represented by potential shares included in (d) : (e)	-
Number of voting rights represented by depository receipts for shares and beneficiary certificates of trust for shares, etc. included in (e): (f)	-
Number of voting rights represented by shares held by special related parties (as of August 22, 2022) : (g)	-
Number of voting rights represented by potential shares included in (g): (h)	-
Number of voting rights represented by depository receipts for shares and beneficiary certificates of trust for shares included in (h): (i)	-
Number of voting rights of all shareholders, etc. of the Target (as of August 22, 2022) : (j)	570,088
Percentage of voting rights represented by the shares to be purchased to the number of voting rights of all shareholders, etc. of the Target: (a) / (j) (%)	70.50
Percentage of ownership of share certificates after tender offer: (a+d+g) / (j+(b-c)+(e-f)+(h-i))×100 (%)	70.50

(Note 1) "Number of voting rights represented by the shares to be purchased: (a)" is the number of voting rights relating to the number of shares scheduled to be purchased in the Tender Offer (40,692,453 shares).

(Note 2) "Number of voting rights of all shareholders, etc. of the Target (as of June 30, 2022): (j)" is the number of voting rights of all shareholders as stated in the Annual Securities Report. However, as the shares less than one unit and the Target's Common Shares to be issued or transferred upon exercise of SARs are also subject to purchase under the Tender Offer, for the purpose of calculating "Percentage of voting rights represented by the shares to be purchased to the number of voting rights of all shareholders, etc. of the Target" and "Percentage of ownership of share certificates after tender offer," the denominator was set at 577,184 which is the number of voting rights with respect to the number of shares (57,718,487 shares) obtained by deducting the number of treasury shares owned by the Target (18,700 shares) as of June 30, 2022 from 57,737,187 shares, which is the total number of the Target's issued common shares obtained by adding the number of shares underlying all the SARs remaining as of August 19, 2022 (545,000 shares in total) to the total number of the Target's issued common shares as of June 30, 2022 (57,192,187 shares),



as disclosed in the Quarterly Report.

- (Note 3) "Percentage of voting rights represented by the shares to be purchased to the number of voting rights of all shareholders, etc. of the Target" and "Percentage of ownership of share certificates after tender offer" are rounded to the second decimal place.

## 6. Licenses, Etc. Concerning Acquisition of Shares

N/A

## 7. Method of Tendering Shares under the Tender Offer and Cancellation thereof

### (1) Method of tendering shares

- (i) Tender Offer Agent  
Phillip Securities Japan, Ltd.  
4-2, Nihombashi Kabutocho, Chuo-ku, Tokyo
- (ii) Persons wishing to tender their shares under the Tender Offer (the "Tendering Shareholders") are required to fill in the prescribed "Tender Offer Application Form" (*koukai-kaitsuke-oubo-moushikomisho*) and submit it to the head office of the Tender Offer Agent (hereinafter, if the Tendering Shareholders have already held an account at the Tender Offer Agent, the handling office) by no later than 3:00 p.m. on the last day of the Tender Offer Period.
- (iii) In order to accept shares under the Tender Offer, such shares scheduled to be tendered will need to be registered or recorded in accounts set up in the name of the Tendering Shareholders with the Tender Offer Agent (the "Tendering Shareholder Account"). Therefore, in cases where shares scheduled to be tendered are registered or recorded in an account with a financial instruments business operators other than the Tender Offer Agent (including cases where such shares are registered or recorded in a special account established with Mitsubishi UFJ Trust and Banking Corporation), procedures to transfer such shares into a Tendering Shareholder Account, which is set up with the Tender Offer Agent, must be completed prior to tendering such shares. No application for tendering under the Tender Offer made through financial instruments business operators other than the Tender Offer Agents shall be accepted.
- (iv) When accepting applications for the SARs, please submit the "Tender Offer Application Form" together with the "Notification of Approval of Transfer" issued by the Target at the request of the holder of the stock acquisition rights after taking necessary procedures pursuant to a resolution of the Target's board of directors, as the SARs are subject to restriction of transfer. In addition, please submit the "Document Stating the Matters to be Specified in the Registry of Holders of the Stock Acquisition Rights" to be issued by the Target at the request of the holder of the stock acquisition rights and the documents necessary for requesting the entry of a name change in the registry of holders of the stock acquisition rights, which is conditional on the completion of the Tender Offer, as confirmation documents of the status as the holder of the stock acquisition rights.
- (v) Please have ready the registered seal (*todokede-in*) used when opening the Tendering Shareholder Account at the time of application of shares, etc. together with the Tender Offer Application Form. In addition, My Number (Individual Number (*kojin-bango*)) and identification documents, etc. may be necessary upon application (see Notes 1 and 2 below).

- (vi) Shareholders that reside outside Japan (including corporate shareholders, the "Non-Resident Shareholders") are requested to tender shares through their standing proxies residing in Japan (the standing proxies shall provide a power of attorney from the Non-Resident Shareholders or a certified "copy" of a contract with the Non-Resident Shareholders).
- (vii) As regards individual shareholders residing in Japan, any difference between the purchase price for the shares sold through the Tender Offer and the original cost of acquiring the same shall generally be subject to self-assessment taxation separate from other income with regard to capital gains on the shares (see Note 3 below).
- (viii) Tendering Shareholders will be issued a "Certificate of Tender Offer Application" upon acceptance of their application.
- (ix) Please consult the Tender Offer Agent or contact Mitsui Sumitomo Trust and Banking Corporation, the account management institution, regarding specific transfer procedures (i.e., procedures to transfer the shares scheduled to be tendered into a Tendering Shareholder Account) for tendering shares registered or recorded in a special account established with Mitsui Sumitomo Trust and Banking Corporation, manager of Target's shareholder register (see Note 4 below).

(Note 1) Identification Documents

Shareholders who are opening a new account with the Tender Offer Agent, or Non-Resident Shareholders who are applying through their standing proxies residing in Japan must submit My Number (Individual Number) and identification documents (with respect to a corporation, in addition to the Corporate Number (*hojin-bango*) and identification documents of the corporation, the corporation must submit the identification documents of the "person who actually takes charge of the transaction"). Since January 2016, My Number (Individual Number) or Corporate Number and identification documents may be required even if a shareholder already has an account established with the Tender Offer Agent when changing one's name, address or My Number (Individual Number), etc. For more information, please contact the Tender Offer Agent.

Patterns	Document(s) to verify My Number (Individual Number)	Identification Documents
1	Notification card (copy)	Any <u>two</u> of the following documents: <ul style="list-style-type: none"> <li>• Driver's license (copy)</li> <li>• Residence card (copy)</li> <li>• Special permanent resident certificate (<i>tokubetsu-eijusha-shomeisho</i>) (copy)</li> <li>• Basic resident register card (<i>jumin-kihondaicho-kado</i>) (copy)</li> <li>• Insurance card of various insurances (<i>hihoken-sho</i>) (copy)</li> <li>• A certificate of registered seal (<i>inkan-toroku-shomeisho</i>) (original)</li> <li>• A certificate of record of residence registry (<i>jyumin-hyo-kisai-jiko-shomeisho</i>) (original)</li> <li>• A copy of residence registry (<i>jyumin-hyo</i>) (original)</li> </ul>
2	Individual Number card (copies of both sides)	Any one of the documents listed in Pattern 1

3	A certificate of record of residence registry which includes the Individual Number or A copy of residence registry which includes the Individual Number	Any one of the documents listed in Pattern 1 other than those described in the left
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(Note 2) Mail of documents related to the transaction:

In order to notify that the identity verification has been performed, documents related to the transaction will be mailed to the address or location described in such identification documents.

(Note 3) Self-assessment taxation separate from other income with regard to gains on shares (for individual shareholders):

For individual shareholders, capital gains realized from income received on a transfer of shares will generally be subject to self-assessment taxation separate from other income. Shareholders should consult his or her own licensed tax accountant or other experts with respect to any specific questions regarding tax consequences and is responsible for his or her own decisions.

(Note 4) Transfer procedures from special accounts:

As described in (iii) above, at the time of the application, shares which are registered or recorded in a special account must be transferred into a Tendering Shareholder Account set up with the Tender Offer Agent.

(2) Method of cancelling the tender of shares to the Tender Offer

Tendering Shareholders may, at any time during the Tender Offer Period, cancel any agreement to tender their shares to the Tender Offer. Tendering shareholders who wish to cancel their agreement must deliver, or send by mail, a cancellation notice (the Certificate of Tender Offer Application and a document stating that such Tendering Shareholder cancels his/her application for tendering to the Tender Offer) to the head office of the Tender Offer Agent that accepted the tender no later than 3:00 p.m. on the last day of the Tender Offer Period. Please note that the Cancellation Notice, if sent by mail, must be received no later than 3:00 p.m. on the last day of the Tender Offer Period.

Person authorized to receive the Cancellation Notice:

Phillip Securities Japan, Ltd.

4-2, Nihombashi Kabutocho, Chuo-ku, Tokyo

(3) Method of return of shares

If a Tendering Shareholder gives such notice of cancellation by the method described in "(2) Method of cancelling the tender of shares to the Tender Offer" above, the relevant shares will be returned promptly following the completion of the cancellation procedures by the method described in "(4) Method of return of shares" under "10. Method of Settlement" below.

(4) Name and address of head office of financial instruments business operators, banks, etc. keeping custody of, and returning shares

Phillip Securities Japan, Ltd.

4-2, Nihombashi Kabutocho, Chuo-ku, Tokyo

## 8. Funds Required for Tender Offer

### (1) Funds, etc. required for tender offer

Purchase price (JPY): (a)	447,616,983
Types of consideration other than cash:	-
Sum of consideration other than cash:	-
Purchase commission: (b)	4,000,000
Others (JPY): (c)	2,585,000
Total (JPY) (a)+(b)+(c):	454,201,983

(Note 1) "Purchase price (JPY): (a)" is stated as the amount calculated by multiplying the number of shares to be purchased in the Tender Offer (40,692,453 shares) by the purchase price per share (JPY 11). If the total number of Tendered Shares is equal to or greater than the number of shares to be purchased, the Offeror will purchase all the Tendered Shares. Therefore, if the Offeror purchases all of the Maximum Number of Shares to be Purchased (57,718,457 shares), the maximum purchase price will be JPY 634,903,027, which is calculated by multiplying the Maximum Number of Shares to be Purchased by the purchase price per share (JPY 11). In such case, the total sum after adding the "Purchase commission (b)" and "Others (c)" will be JPY 641,488,027.

(Note 2) "Purchase commission: (b)" is the estimated amount of commission to be paid to the Tender Offer Agent.

(Note 3) "Others: (c)" is comprised of estimated fees and expenses for the publication fee for the announcement of public notices regarding the commencement of Tender Offer, the printing of the Tender Offer explanatory statement and other necessary documents .

(Note 4) The above amount does not include consumption tax, etc.

(Note 5) There are other expenses to be paid to the Tender Offer Agent and legal fees, and such amount will be determined after the completion of the Tender Offer.

### (2) Deposits or borrowings, etc. that may be appropriated to obtain the funds required for the Tender Offer

#### (i) Deposits one or two days prior to the filing date

Type of deposit	Amounts (thousand yen)
Current deposit	682,644.579 (Note) 5,008,030.07 (USD)
TOTAL (a)	682,644.579 5,008,030.07 (USD)

(Note) Conversion of US dollars into Japanese yen has been made at the rate of USD 1 = JPY 136.31, which was the median of telegraphic transfer selling and buying rates vis-a-vis customers published by MUFG Bank, Ltd. on August 19, 2022.

#### (ii) Borrowings prior to the filing date

#### (a) Financial institutions

	Lender's business category	Name of lender	Terms of lending agreement	Amounts (thousand yen)
1	-	-	-	-

	Lender's business category	Name of lender	Terms of lending agreement	Amounts (thousand yen)
2	-	-	-	-
TOTAL				-

(b) Others

Lender's business category	Name of lender	Terms of lending agreement	Amounts (thousand yen)
-	-	-	-
-	-	-	-
TOTAL			-

(iii) Borrowings to be made on or after the filing date

(a) Financial institutions

	Lender's business category	Name of Lender	Terms of loan agreement	Amounts (thousand yen)
1	-	-	-	-
2	-	-	-	-
TOTAL (b)				-

(b) Others

Lender's business category	Name of lender	Terms of loan agreement	Amounts (thousand yen)
-	-	-	-
-	-	-	-
TOTAL (c)			-

(iv) Other methods of financing

Content	Amounts (thousand yen)
-	-
TOTAL (d)	-

(v) Total of deposits or borrowings, etc. that can be as appropriated to obtain funds required for tender offer

JPY 682,644 thousand ((a) + (b) + (c) + (d))

(3) Relationship between the Offeror and the company issuing securities as consideration for the purchase

N/A

**9. The Company Issuing Securities as Consideration for the Purchase**

N/A

## **10. Method of Settlement**

- (1) Name and address of the head office of financial instruments business operators or banks etc. in charge of the settlement of purchase  
Phillip Securities Japan, Ltd.  
4-2, Nihombashi Kabutocho, Chuo-ku, Tokyo

- (2) Commencement date of settlement

September 27, 2022 (Tuesday)

(Note) If the Target requests the extension of the Tender Offer Period by submitting a position statement in accordance with Article 27-10, Paragraph 3 of the Act, such date will be October 12, 2022 (Wednesday).

- (3) Method of settlement

A notice of purchase, etc. through the Tender Offer shall be mailed to the addresses of the Tendering Shareholders, etc. (or the addresses of standing proxies in the case of Non-Resident Shareholders) without delay after the expiry of the Tender Offer Period.

Payment for the shares will be made in cash. At the instruction of the Tendering Shareholders (or the standing proxies in the case of Non-Resident Shareholders), payment will be made through the Tender Offer Agent to the Tendering Shareholders (or the standing proxies in the case of Non-Resident Shareholders) by money transfer.

- (4) Method of return of shares

In the event that all or part of the Tendered Shares are not purchased under the terms set forth in "(1) Conditions set forth in Article 27-13, Paragraph 4 of the Act and the details thereof" or "(2) Conditions for withdrawal of the Tender Offer, details thereof and method of disclosure for withdrawal" under "11. Other Conditions and Methods of Tender Offer" below, the shares, etc. to be returned shall be returned by returning such shares to their original state of record immediately before the tendering, promptly after the commencement date of the settlement (or in case of the withdrawal of the Tender Offer, at the date of such withdrawal). In accordance with the instructions of the Tendering Shareholders, the documents submitted at the time of the subscription of the SARs (the documents described in (iv) of "(1) Method of tendering shares" in "7. Method of Tendering Shares under the Tender Offer and Cancellation thereof" above) shall be returned by delivering them to the tendering shareholders or by mail to their addresses.

## **11. Other Conditions and Methods of Tender Offer**

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

If the total number of tendered shares fails to reach the minimum number of shares to be purchased (40,692,453 shares), the Offeror will not purchase any of the tendered shares. Since there is no maximum number of shares to be purchased in the Tender Offer, if the total number of Tendered Shares is equal to or greater than the minimum number of shares to be purchased, the Offeror will purchase all the Tendered Shares.

(2) Conditions for withdrawal of the Tender Offer, details thereof and method of disclosure for withdrawal

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1 *i* through *nu*, *wa* through *tsu* and *ne*, Items 3 *i* through *chi* and *nu*, as well as in Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Order, the Offeror may withdraw the Tender Offer. Furthermore, with respect to the Tender Offer, an event equivalent to the respective events specified in *i* through *ri* set forth in Article 14, Paragraph 1, Items 3 *nu* of the Enforcement Order refers to (i) an event that any statutory disclosure documents that the Target has previously filed turns out to contain false information in respect of any material matters or lacks information required to be provided in relation to material matters.

In the event that the Offeror intends to withdraw the Tender Offer, the Offeror shall give a public notice electronically, and shall then post in the Nihon Keizai Shimbun that such public notice has been made; provided, however, that, if it is impracticable to give such public notice by the last day of the Tender Offer Period, the Offeror shall make a public announcement pursuant to Article 20 of the TOB Order and give a public notice forthwith.

(3) Conditions of reduction of purchase price and method of disclosure of the reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target takes any action enumerated in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Offeror may reduce the price of purchase, etc. in accordance with Article 19, Paragraph 1 of the TOB Order.

In the event that the Offeror intends to reduce the price of purchase, etc., the Offeror shall give public notice electronically, and shall then post a notice in the Nihon Keizai Shimbun that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Offeror shall make a public announcement pursuant to Article 20 of the TOB Order and give public notice forthwith.

If the price of purchase, etc. is reduced, the Offeror shall purchase any and all tendered shares at such reduced price, even if such shares were tendered prior to such public notice.

(4) Matters concerning the right of Tendering Shareholders to cancel their tender

Tendering Shareholders may cancel agreements concerning the Tender Offer at any time during the Tender Offer Period. The method of cancellation shall be as described herein under "(2) Method of cancelling the tender of shares to the Tender Offer" under "7. Method of Tendering Shares under the Tender Offer and Cancellation thereof."

No compensation for damages or penalty payments shall be claimed against any Tendering Shareholders by the Offeror in the event that a tender by a Tendering Shareholder is cancelled. The cost of returning the tendered shares shall be borne by the Offeror.

(5) Method of disclosure of amendment to the conditions of Tender Offer (if any)

Except for the cases prohibited by Paragraph 1 of Article 27-6 of the Act and Article 13 of the Enforcement Order, the Offeror may amend the conditions or other terms of the Tender Offer. If any terms or conditions of the Tender Offer are amended, the Offeror shall give public notice electronically regarding the details of such amendments and then post a notice in the Nihon Keizai Shimbun that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Offeror shall make a public announcement pursuant to Article 20 of the TOB Order and give public notice forthwith. If

any amendment to the terms and conditions of the Tender Offer is made, the Offeror shall purchase any and all tendered shares in accordance with the amended terms and conditions, even if such shares were tendered prior to such public notice.

(6) Method of disclosure of amendment statement (if any)

If an amendment to the Tender Offer Registration Statement is filed with the Director General of the Kanto Local Finance Bureau, except in the case provided for in the proviso to Article 27-8, Paragraph 11 of the Act, the Offeror shall forthwith make a public announcement of the details thereof to the extent relevant to the details of the public notice of the Tender Offer, in accordance with the method set forth in Article 20 of the TOB Order. The Offeror shall also forthwith amend the Tender Offer explanatory statement and deliver the amended Tender Offer explanatory statement to all Tendering Shareholders who have already received the Tender Offer explanatory statement; provided, however, that, if the amended parts of the Tender Offer explanatory statement are not substantial, the Offeror shall instead prepare a document stating the reason(s) for the amendments, the matters amended and the details of the information following the amendment and deliver such document to the Tendering Shareholders.

(7) Method of disclosure of results of Tender Offer

The Offeror shall make a public announcement regarding the results of the Tender Offer, in accordance with the methods provided for in Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order, on the day following the last day of the Tender Offer Period.



## PART II. Information on the Offeror

### 1. In Case the Offeror is a Corporation

#### (1) Outline of the Offeror

##### (i) History of the Offeror

Date	History
March 2021	Incorporated under the laws of Delaware, under the trade name of EV O Fund LLC, having its registered office at 1209 Orange Street, Wilmington, Delaware, 19801, in the Country of New Castle, the United States of America.

##### (ii) Business purpose of the Offeror and the content of its business

###### Business purpose of the company

The purpose of the business of the Offeror is to engage in lawful activities and exercise the powers granted to a limited liability company incorporated under the laws of Delaware.

###### Description of the business of the company

Investment business.

##### (iii) Amount of paid-in capital and total number of issued shares

As of August 22, 2022

Amount of paid-in capital	Total number of issued shares (shares)
USD 100	N/A

(Note) Since the Offeror has not issued any shares or other subdivided equity rights, the Total Number of Issued Shares "N/A" is stated as above.

##### (iv) Major shareholders

As of August 22, 2022

Name	Address	Number of shares held (shares)	Ratio to the total number of issued shares (excluding treasury shares) (%)
EVO FUND	c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	N/A	N/A
Total	—	N/A	N/A

(Note 1) Since the Offeror has not issued shares or other subcategories of shareholders' interest, regarding the

number of shares, it is provided as "N/A" as above. Provided, however, that EVO FUND is the entity that effectively owns 100% of the Offeror and it is described as a "major shareholder" above.

(v) Professional background of and number of shares held by directors and officers

As of August 22, 2022

Title	Position	Name	Date of Birth	Professional Background	Number of shares held (shares)
Officer	—	Michael Lerch	January 20, 1971	Mar. 2021 Offeror, Officer (current position)	—
Officer	—	Richard Chisholm	October 18, 1969	Mar. 2021 Offeror, Officer (current position)	—
Total					—

(Note) The Offeror is a limited liability company, and EVO FUND is an employee and manager of the Offeror. Mr. Lerch and Richard Chisholm were appointed as officers of the Offeror as of March 18, 2021 by EVO FUND, the officer of the Offeror.

(2) Financial conditions

Standards for the preparation of financial statements

The financial statements below were prepared pursuant to the Generally Accepted Accounting Principles in the U.S. (US GAAP).

Audit

The financial statements of the Offeror have not been subjected to audit by an audit firm or certified public accountant.

Conversion rate from USD to JPY

The conversion from US dollar to Japanese yen in this Paragraph was calculated at the exchange rate of \$1.00 = JPY 136.31, the mean of telegraphic transfer spot selling and buying exchange rates vis-à-vis customers published by MUFG Bank, Ltd. as of August 19, 2022.

(i) Balance sheet

(Unit)	As of December 31, 2021	
	(USD)	(JPY)
ASSETS		
Current Assets		
Chequing/Savings		
First Republic Bank	8,782.07	1,197,083.96
Total Chequing/Savings	8,782.07	1,197,083.96
Total Current Assets	8,782.07	1,197,083.96

TOTAL ASSETS	8,782.07	1,197,083.96
LIABILITIES & EQUITY		
Equity		
Evo Fund	10,000.00	1,363,100
Net Income	(1,217.93)	(166,016.038)
Total Equity	8,782.07	1,197,083.96
TOTAL LIABILITIES & EQUITY	8,782.07	1,197,083.96

(ii) Income statement

	For the period from January 1, 2021 until December 31, 2021	
(Unit)	(USD)	(JPY)
Income	0.00	0.00
Expense		
Legal Fees	1,217.93	166,016.038

(3) Matters Concerning the Offeror which are Subject to an Obligation of Continuous Disclosure

(i) Documents Disclosed by the Offeror

(a) Annual Securities Reports and Exhibits thereto

(b) Quarterly Securities Reports or Semiannual Securities Reports

(c) Amendment Reports

(ii) Places for Public Inspection of the Reports

2. In Case the Offeror is an Entity other than Corporation

N/A

3. In Case the Offeror is an Individual

N/A

## PART III. Shares Held and Traded by the Offeror and Special Related Parties

### 1. Breakdown of Ownership of Shares.

(1) Total number of shares held by the Offeror and special related parties

As of August 22, 2022			
	Number of Shares Owned	Number of Shares that fall under the category of Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Shares that fall under the category of Article 7, Paragraph 1, Item 3 of the Enforcement Order
Shares	—	—	—
Certificate of stock acquisition rights	—	—	—
Certificate of corporate bonds with stock acquisition rights	—	—	—
Beneficiary certificate of trust of shares ( )	—	—	—
Depository receipt for shares ( )	—	—	—
Total	—	—	—
Total number of owned shares	—	—	—
(Total number of potential owned shares)	(—)	—	—

(Note) EVO FUND, a special related party of the Offeror, owns 30 shares of the Target's Common Shares as of the date of filing of this Statement.

(2) Shares held by the Offeror

As of August 22, 2022			
	Number of Shares Owned	Number of Shares that fall under the category of Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Shares that fall under the category of Article 7, Paragraph 1, Item 3 of the Enforcement Order
Shares	—	—	—
Certificate of stock acquisition rights	—	—	—
Certificate of corporate bonds with stock acquisition rights	—	—	—
Beneficiary certificate of trust of shares ( )	—	—	—
Depository receipt for shares ( )	—	—	—
Total	—	—	—
Total number of owned shares	—	—	—
(Total number of potential owned shares)	(—)	—	—

(3) Shares held by special related parties (total number of shares held by special related parties)

As of August 22, 2022

	Number of Shares Owned	Number of Shares that fall under the category of Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Shares that fall under the category of Article 7, Paragraph 1, Item 3 of the Enforcement Order
Shares	—	—	—
Certificate of stock acquisition rights	—	—	—
Certificate of corporate bonds with stock acquisition rights	—	—	—
Beneficiary certificate of trust of shares ( )	—	—	—
Depository receipt for shares ( )	—	—	—
Total	—	—	—
Total number of owned shares	—	—	—
(Total number of potential owned shares)	(—)	—	—

(Note) EVO FUND, a special related party of the Offeror, owns 30 shares of the Target's Common Shares as of the date of filing of this Statement.

(4) Shares held by special related parties (breakdown by each special related party)

(i) Special related parties

As of August 22, 2022

Name	EVO FUND
Address	c/o Intertrust Corporate Services (Cayman) Limited One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands
Business	Investment Business
Contact	Contact person Shaun Lawson, Representative Director and President of Evolution Japan Securities Co., Ltd. Contact place 4-1 Kioi-cho, Chiyoda-ku, Tokyo, New Otani Garden Court 12F Telephone number 03-4510-3350
Relationship with the Offeror	Holding all of the equity interests of the Offeror

(i) Number of shares held  
EVO FUND

As of August 22, 2022

	Number of Shares Owned	Number of Shares that fall under the category of Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of Shares that fall under the category of Article 7, Paragraph 1, Item 3 of the Enforcement Order
Shares	—	—	—
Certificate of stock acquisition rights	—	—	—
Certificate of corporate bonds with stock acquisition rights	—	—	—
Beneficiary certificate of trust of shares	—	—	—

( )			
Depository receipt for shares ( )	—	—	—
Total	—	—	—
Total number of owned shares	—	—	—
(Total number of potential owned shares)	(—)	—	—

(Note) EVO FUND, a special related party of the Offeror, owns 30 shares of the Target's Common Shares as of the date of filing of this Statement.

**2. Trading of Shares**

(1) Trading during the 60-day period preceding the filing date

N/A

**3. Material contracts concerning the shares shown above**

N/A

**4. Contracts pertaining to Purchase of Shares subsequent to the Filing Date**

N/A

**PART IV. Transactions between the Offeror and the Target**

**1. Transactions between the Offeror and the Target or its Officers, and the Details thereof (if any)**

N/A

**2. Agreements between the Offeror and the Target or its Officers, and the Terms thereof (if any)**

(1) Agreements on the Tender Offer

The Target announced that it approves of the Tender Offer of the Target's Common Shares and the SARs by the Offeror on the ground of the reasons listed in "(iii) Process and reasons of decision-making of the Target" of "(2) Background, object and process of decision-making to implement the Tender Offer and management policy after the Tender Offer," under "3. Purposes of Tender Offer" under "Part I. Terms and Conditions of Tender Offer" above, but withheld its opinion regarding the adequacy of the Tender Offer Price and resolved that it entrusts whether or not to apply for the Tender Offer to the Target's shareholders' judgment, at the meeting of board of directors on August 19, 2022.

Furthermore, regarding the details of such decision by the Target, please see the press release of the Target and "(iii) Approval of all disinterested directors of the Target" under "(5) Matters related to measures to secure fairness and prevent conflict of interest" under "3. Purposes of Tender Offer" under "Part I. Terms and Conditions of Tender Offer" above.

## **PART V. Information on the Target**

### **1. Profits and Losses, Etc. for the past three years**

#### (1) Profits and losses

Fiscal Year	—	—	—
Net Sales	—	—	—
Cost of Sales	—	—	—
Sales, general and administrative expenses	—	—	—
Non-operating profit	—	—	—
Non-operating expenses	—	—	—
Net profit (loss)	—	—	—

#### (2) Profits and losses per share

Fiscal year	—	—	—
Net profit or loss per share (JPY)	—	—	—
Dividend per share (JPY)	—	—	—
Net asset per share (JPY)	—	—	—

## 2. Share Price

Name of financial instruments exchange or authorized financial instruments firms association	Standard Market of the TSE						
	Month	February, 2022	March, 2022	April, 2022	May, 2022	June, 2022	July, 2022
Maximum share price (JPY)	36	107	72	70	68	56	57
Minimum share price (JPY)	30	35	45	47	51	52	49

(Note) The data for August, 2022 are for the period up to August 19. Until April 1, 2022, the Target's common shares were listed on the JASDAQ (Standard) market of the TSE.

## 3. Shareholders

(1) Status by type of shareholder

As of

Description	Status of Shares (1 unit = shares)								Status of shares less than 1 unit (shares)
	National and local governments	Financial institutions	Financial instrument firms	Other entities	Foreign entities, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders	—	—	—	—	—	—	—	—	—
Number of shares owned (unit)	—	—	—	—	—	—	—	—	—
Number of shares owned (%)	—	—	—	—	—	—	—	—	—



(2) Number of shares held by major shareholders, and directors and officers

(i) Major shareholders

As of

Name	Address	Number of shares held (shares)	Percentage of shares held against total issued shares (excluding treasury shares) (%)
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
Total	—	—	—

(ii) Directors and officers

As of

Name	Title	Position	Number of shares held (shares)	Percentage of shares held against total issued shares (excluding treasury shares) (%)
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
Total	—	—	—	—

#### **4. Matters Concerning the Target which are Subject to an Obligation of Continuous Disclosure**

##### (1) Documents Disclosed by the Target

(i) Annual Securities Reports and Exhibits thereto

The Annual Securities Report for the 22nd business year (from January 1, 2020 to December 31, 2021) was submitted to the Director General of the Kanto Local Financial Bureau on March 31, 2021.

The Annual Securities Report for the 23rd business year (from January 1, 2021 to December 31, 2021) was submitted to the Director General of the Kanto Local Financial Bureau on March 29, 2022.

(ii) Quarterly Securities Reports or Semiannual Securities Reports

Submitted to the Kanto Local Finance Bureau on August 15, 2022 (Second quarter of the 24<sup>th</sup> Fiscal Year (From April 1, 2022 to June 30, 2022))

(iii) Extraordinary Reports

N/A

(iv) Amendment Reports

Submitted Amendment Report of the Annual Securities Report for the 22nd business year above to the Kanto Local Finance Bureau on July 19, 2022

Submitted Amendment Report of the Annual Securities Report for the 23rd business year above to the Kanto Local Finance Bureau on July 19, 2022

Submitted Amendment Report of the Annual Securities Report for the 23rd business year above to the Kanto Local Finance Bureau on August 15, 2022

##### (2) Places for Public Inspection of the Report

Red Planet Japan, Inc.

(1-9-3 Nishi-gotanda, Shinagawa-ku, Tokyo)

Tokyo Stock Exchange, Inc.

(2-1 Nihombashi Kabutocho, Chuo-ku Tokyo)

#### **5. Details of Conveyed Facts regarding Implementation of Tender Offer, etc.**

N/A

#### **6. Others**

N/A

[Changes in principal management index regarding the Target]

Changes in principal management index

(1) Consolidated management index

Term	19th term	20th term	21st term	22nd term	23rd term
End of fiscal year	December 2017	December 2018	December 2019	December 2020	December 2021
Sales (Thousand yen)	1,215,342	1,736,200	2,509,743	784,949	518,451
Ordinary profit or Ordinary loss (Loss) (Thousand yen)	99,279	(318,543)	(313,110)	(2,187,900)	(1,230,727)
Net profit attributable to owners of parent or Net loss attributable to owners of parent (Loss) (Thousand yen)	314,635	252,060	(2,290,444)	(2,967,158)	(737,240)
Comprehensive income (Thousand yen)	314,635	557,226	(2,462,755)	(2,820,566)	(777,978)
Net assets (Thousand yen)	4,236,394	4,977,488	3,296,549	404,718	(373,414)
Total assets (Thousand yen)	12,195,083	16,436,324	15,059,665	14,541,905	13,091,183
Net assets per share (Yen)	137.24	158.54	56.14	6.95	(6.66)
Net income or loss per share (Loss) (Yen)	11.66	8.39	(43.20)	(51.92)	(12.89)
Diluted net income per share (Yen)	10.23	8.34	-	-	-
Capital assets to total assets (%)	30.7	29.7	21.3	2.7	(2.9)
Return of equity (%)	8.9	5.8	-	-	-
Price-earnings ratio	26.6	29.5	-	-	-
Net cash provided by operating activities (Thousand yen)	129,454	(826,614)	(402,043)	(565,914)	(529,344)
Net cash provided by investing activities (Thousand yen)	(1,610,547)	(28,735)	(1,803,756)	(151,785)	534,832
Net cash provided by financing activities (Thousand yen)	1,427,396	1,840,494	693,578	(139,502)	199,801
Cash and cash equivalents at end of year (Thousand yen)	1,639,937	2,623,180	1,091,156	216,037	414,354
Number of employees (Average number of temporary employees)	48 (10)	86 (9)	175 (15)	127 (16)	110 (8)

(Notes) 1 Consumption tax is not included in the Sales.

2 The diluted net income per share is not described with respect to the 21st, 22nd and 23rd term in the table above as the net loss per share is recorded although dilutive shares exist.

3 The price-earnings ratio is not described with respect to the 21st, 22nd and 23rd term in the table above as the net loss per share is recorded.

4 The return of equity is not described with respect to the 21st, 22nd and 23rd term in the table above as the net loss attributable to owners of parent is recorded.

5 The Target conducted a share consolidation at a ratio of one (1) share for every ten (10) shares of the Target's common shares on April 10, 2019 pursuant to annual general meeting of shareholders held on March 27, 2019. Accordingly, the amounts of net income or loss per share, diluted net income per share and net assets per share in the above table are calculated on the

assumption that the consolidation of shares was carried out at the beginning of the 19th term (the fiscal year ended December 31, 2017).

(2) Management index of the Target

Term	19th term	20th term	21st term	22nd term	23rd term
End of fiscal year	December 2017	December 2018	December 2019	December 2020	December 2021
Sales (Thousand yen)	419,052	2,080,199	533,207	165,572	-
Ordinary profit or Ordinary loss (Loss) (Thousand yen)	201,163	1,619,354	(472,321)	(4,763,319)	(153,371)
Net income or loss (Loss) (Thousand yen)	170,119	1,497,955	(537,993)	(9,631,465)	364,510
Capital stock (Thousand yen)	43,176	482,562	3,089,205	3,096,887	0
Total number of issued shares (Shares)	272,970,337	307,570,337	57,059,487	57,192,187	57,192,187
Net assets (Thousand yen)	3,882,529	6,245,484	10,911,720	1,208,991	1,573,347
Total assets (Thousand yen)	5,767,775	8,059,865	13,214,035	6,370,674	5,828,213
Net assets per share (Yen)	138.01	199.78	189.62	21.01	27.39
Dividend per share (Interim dividend per share) (Yen)	0 (-)	0 (-)	0 (-)	0 (-)	0 (-)
Net income per share or Net loss per share (Yen)	6.31	49.84	(10.15)	(168.54)	6.38
Diluted net income per share (Yen)	5.52	49.58	-	-	-
Capital assets to total assets (%)	65.3	76.2	81.9	18.9	26.9
Return on equity (%)	4.7	30.2			23.3
Price-earnings ratio	49.2	5.0	-	-	6.3
Dividend payout ratio (%)	-	-	-	-	-
Number of employees (Average number of temporary employees)	8 (1)	13 (-)	14 (1)	6 (1)	5 (1)
Total Shareholder Return (%) (Reference: TOPIX) (%)	93.9 (122.2)	42.4 (102.7)	34.2 (121.3)	16.7 (130.3)	12.1 (146.9)
Maximum share price (JPY)	38	41	174 (21)	120	68
Minimum share price (JPY)	25	13	112 (13)	44	38

(Notes) 1 Consumption tax is not included in the Sales.

2 The diluted net income per share with respect to the 21st and 22nd term is not described in the table above as the net loss per share is recorded although dilutive shares exist. The diluted net income per share with respect to the 23rd term is not described in the table above as dilutive shares do not exist.

3 The price-earnings ratio is not described with respect to the 21st and 22nd term in the table above as the net loss per share is recorded.

4 The return of equity is not described with respect to the 21st and 22nd term in the table above as the net loss is recorded.

5 The reduction in the capital stock in 23rd term is due to the capital reduction.

6 The total number of issued shares increased by 3,400,000 shares in the 19th term due to exercise of the 7th series stock acquisition rights.

- 7 The total number of issued shares increased by 34,600,000 shares in the 20th term due to exercise of the 7th series stock acquisition rights.
- 8 The total number of issued shares decreased by 506,785,387 shares and changed to 56,309,487 shares due to a share consolidation at a ratio of one (1) share for every ten (10) shares of the Target's common shares on April 10, 2019 pursuant to annual general meeting of shareholders held on March 27, 2019.
- 9 The total number of issued shares increased by 25,352,453 shares by issuance of new shares by third party allotment on February 20, 2019, increased by 300,000 shares by issuance of new shares by third party allotment on July 25, 2019, increased by 200,000 shares due to exercise of the 7th series stock acquisition rights, and increased by 450,000 shares due to exercise of the 8th series stock acquisition rights in the 21st term.
- 10 The total number of issued shares increased by 132,700 shares due to exercise of the 8th series stock acquisition rights on April 20, 2020 in the 22nd term.
- 11 The Target conducted a share consolidation at a ratio of one (1) share for every ten (10) shares of the Target's common shares on April 10, 2019 pursuant to annual general meeting of shareholders held on March 27, 2019. Accordingly, the amounts of net income or loss per share, diluted net income per share and net assets per share in the above table are calculated on the assumption that the consolidation of shares was carried out at the beginning of the 19th term (the fiscal year ended December 31, 2017).
- 12 The Target conducted a share consolidation at a ratio of one (1) share for every ten (10) shares of the Target's common shares on April 10, 2019.
- 13 The highest and lowest share prices are those quoted on the Tokyo Stock Exchange JASDAQ (Standard).
- 14 The Target conducted a share consolidation at a ratio of one (1) share for every ten (10) shares of the Target's common shares on April 10, 2019. The share price of the 21st term represents the highest and lowest share prices after the share consolidation and the highest and lowest share prices prior to the share consolidation are described in the brackets.