



October 30, 2026

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Notice Concerning Acquisition of Treasury Stock and Tender Offer for Shares

CHUDENKO CORPORATION (the “Company”) hereby announces that it has resolved, at the Board of Directors meeting held today, to acquire treasury stock and to execute a tender offer for shares of the Company (hereinafter referred to as the “Tender Offer”) as the specific method of acquisition, pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, including subsequent amendments; hereinafter referred to as the “Companies Act”), as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and the provisions of the Company’s Articles of Incorporation, as described below.

1. Purpose of the tender offer

The Company regards the return of profits to shareholders as one of its key management priorities.

The Company emphasizes continued and stable dividends, with a dividend policy of providing dividends with a DOE (Note 1) of about 3.0%. Furthermore, the Company regards the acquisition of treasury stock as a shareholder return measure that contributes to improving capital efficiency and will implement such acquisitions as necessary, taking into consideration its business performance and capital position, growth investment opportunities, and market conditions, including its share price.

(Note 1)

DOE (dividends on consolidated equity ratio) = Total dividends ÷ Shareholders’ equity (equity attributable to owners of parent)

Regarding dividends of surplus, as announced in the Company’s “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)” and “Notice Concerning Dividends of Surplus (Dividend Increase) for the Fiscal Year Ended March 31, 2026 and Dividend Forecast for the Fiscal Year Ending March 31, 2027,” both dated April 28, 2026, the Company has set the annual dividend per share for the fiscal year ended March 31, 2026 at 135.00 yen, based on the above policy, comprising an interim dividend of 65.00 yen per share and a year-end dividend of 70.00 yen per share. For the fiscal year ending March 31, 2027, based on the above policy and its earnings forecast, the Company had planned an annual dividend per share of 140.00 yen, comprising an interim dividend of 70.00 yen per share and a year-end dividend of 70.00 yen per share. However, the Company has now decided to revise the annual dividend per share for the fiscal year ending March 31, 2027, from 140.00 yen to 150.00 yen (an increase of 10.00 yen per share on an annual basis compared with the previous forecast). As a result, the Company now plans a year-end dividend of 80.00 yen per share for the fiscal year ending March 31, 2027.

In addition, the Company has provided in its Articles of Incorporation that, pursuant to Article 165, Paragraph 2 of the Companies Act, it may acquire treasury stock by resolution of the Board of Directors without a resolution of the General Meeting of Shareholders. This is intended to enable the flexible implementation of capital policy in response to changes in the business environment. To date, the

Company has acquired treasury stock through market purchases on the Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) to improve capital efficiency and return profits to shareholders (Note 2).

(Note 2) Treasury stock acquisitions during the past five years are shown in the table below.

Date of resolution	Date of acquisition	Number of shares acquired	Acquisition cost
Board of Directors meeting held on November 30, 2022	December 1, 2022	397,900 shares	829,621,500 yen
Board of Directors meeting held on November 29, 2023	November 30, 2023	606,300 shares	1,461,789,300 yen
Board of Directors meeting held on December 26, 2024	December 27, 2024	428,700 shares	1,414,710,000 yen
Board of Directors meeting held on February 26, 2026	February 27, 2026	1,216,400 shares	6,027,262,000 yen

As a member of the Chugoku Electric Power Group (Note 3), the Company has supported the stable supply of electricity in the Chugoku region and has also grown as a comprehensive engineering firm, while responding to diverse social needs arising from the development of the Japanese economy.

(Note 3) The Chugoku Electric Power Group refers to The Chugoku Electric Power Company, Incorporated (shareholding: 21,892,259 shares; shareholding ratio (Note 4): 41.34%; hereinafter “Chugoku Electric Power”), which is the Company’s major shareholder and top shareholder, together with its consolidated subsidiaries and affiliated companies.

(Note 4) “Shareholding ratio” refers to the ratio (rounded to the nearest 0.01%) of the relevant shares to 52,955,419 shares, which is the number of shares obtained by deducting the number of shares of treasury stock held by the Company as of the same date (5,182,698 shares) from the total number of issued shares as of September 30, 2026 (58,138,117 shares), as stated in the “Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)” (hereinafter the “Financial Results Report”) announced by the Company today. The same applies hereinafter to the calculation of shareholding ratios.

For the CHUDENKO CORPORATION Group (the Company and its consolidated subsidiaries and affiliated companies; hereinafter referred to as the “Group”) to continue to grow and contribute to the realization of a sustainable society, it must continue to adapt to changes in the business environment and take on the challenge of transformation. Therefore, to strengthen Group-wide initiatives, the Company formulated the CHUDENKO Group 2030 Vision (hereinafter referred to as the “Management Vision”) in October 2022 under the theme of “transformation and growth.”

The Group has subsequently incorporated new measures into its efforts each year. In April 2025, the Group formulated the Medium-Term Management Plan 2027 (hereinafter referred to as the “current Medium-Term Management Plan”) with safety and compliance as its top priorities, as well as key initiatives such as “Further Strengthening Sales and Construction Capabilities and Expanding Order Intake” and “Creating Profits through Improved Productivity.”

In recent years, the business environment has seen capital investment in the manufacturing industry, including automotive and semiconductor-related plants, as well as robust redevelopment in urban areas. At the same time, however, the Group recognizes that raw material prices have stayed elevated and labor shortages have persisted.

Under these circumstances, the Group has implemented various initiatives under the current Medium-Term Management Plan—including strengthening sales and construction capabilities and improving productivity—to reinforce its base in the Chugoku region and expand its business in urban areas.

As a result, in the fiscal year ended March 31, 2026, the Group achieved net sales of 227.8 billion yen, operating profit of 26.1 billion yen, and a return on equity (ROE) of 7.9%. In particular, the operating profit margin rose to 11.5%, a level that ranks highly in the industry.

The Group forecasts even higher results for the fiscal year ending March 31, 2027, taking into account the business environment and current backlog of projects. Therefore, in April 2026, the Group revised its performance targets for FY2027—the final year of the current Medium-Term Management Plan—upward from “net sales of 240.0 billion yen, operating profit of 23.0 billion yen, and ROE of 7.0%

or higher” to “net sales of 260.0 billion yen, operating profit of 28.0 billion yen, and ROE of 8.5% or higher.” It also made upward revisions to the FY2030 targets set forth in the Management Vision, from “net sales of 260.0 billion yen, operating profit of 24.0 billion yen, and ROE of 7.0% or higher” to “net sales of 300.0 billion yen, operating profit of 30.0 billion yen, and ROE of 9.0% or higher.”

Looking ahead, capital investment in the manufacturing industry and demand for urban redevelopment are expected to remain firm, but energy and raw material prices are expected to stay elevated and labor shortages to persist.

In this environment, the Group will continue to focus on strengthening its foundation in the Chugoku region—where it has steadily delivered results—and expanding in urban areas, pursuing business expansion by further strengthening its sales and construction capabilities. In addition, the Group will deepen productivity-enhancing measures, including rigorous cost management and more efficient construction operations, to generate further profits.

In terms of orders, the Group will strengthen its operations and expand orders by capturing the anticipated rise in demand in growth sectors such as semiconductors and data centers, as well as by enhancing its proposals for renovation work.

The Group will also actively invest in environmental businesses such as power purchase agreement (PPA) projects and grid-scale battery storage projects, working to secure and expand long-term, stable revenue streams.

Through these initiatives, together with a strong push to advance human capital management, the Group will achieve the new targets set forth in the current Medium-Term Management Plan and the Management Vision, thereby driving the further enhancement of corporate value and achieving sustainable growth.

In terms of capital policy, the Company has pursued the expansion of investment aimed at continued growth, along with the enhancement of shareholder returns through continued and stable dividends and treasury stock acquisitions, based on the Basic Principles on Capital Policy established in 2015. Since 2023, partly in response to requests from the Tokyo Stock Exchange, it has made annual announcements of its policies and initiatives relating to management that is conscious of the cost of capital and stock price. In April 2026, the Company announced its shareholder returns policy for the current Medium-Term Management Plan period: a total profit distribution to shareholders of approximately 40.0 billion yen over three years (22.0 billion yen in dividends and up to 18.0 billion yen in share repurchases). The price-to-book ratio (PBR), which had been a key issue, has now reached a level exceeding 1.0.

As part of its efforts to improve capital efficiency, including ROE, and enhance shareholder returns, the Company acquired 2.5 million shares of its own stock from Chugoku Electric Power, the Company’s top shareholder, through a tender offer in 2016. The two companies have since continued discussions on matters including their mutually optimal capital relationship.

In this context, in early March 2026, both companies came to share the recognition that it is essential to optimize this capital relationship as early as possible. In this way, while ensuring the independence and autonomy of the Company’s management and continuing to fulfill its ongoing responsibility to ensure a stable supply of electricity, both companies will be able to strengthen their synergies in businesses such as grid-scale battery storage and data centers and, by contributing to the sustainable development of local communities and society, enhance the corporate value of the Company and the Chugoku Electric Power Group.

Based on this recognition, the Company began considering a treasury stock acquisition to further increase capital efficiency and enhance shareholder returns, taking into account a range of factors including the business outlook, financial condition, and growth investment opportunities, premised on the acquisition by the Company of a portion of its common stock held by Chugoku Electric Power.

On this premise, the two companies thoroughly examined the specific methods available for the Company to repurchase shares from Chugoku Electric Power; specifically, by tender offer, market purchases, and the acquisition of treasury stock using the ToSTNeT-3 system. As a result of this examination, the companies determined in early April 2026 that the tender offer method was optimal. This determination was made upon consideration of the following factors: (i) equality among shareholders; (ii) transparency of the transaction; (iii) the Company’s ability to purchase its common stock at a discount to the market price—and the likelihood that such a discounted purchase would provide an economic rationale that would limit applications from shareholders other than Chugoku Electric Power, thereby increasing the certainty that the Company would acquire all of the common shares tendered by Chugoku Electric Power and helping to curb the outflow of the Company’s assets; and (iv) the opportunity for shareholders other than Chugoku Electric Power to be provided with a certain period for consideration and to apply based on market price trends. Subsequently, the Company and Chugoku Electric Power continued discussions from early April 2026 to late July 2026. As a result of these discussions, on August 4, 2026, the Company received a proposal from Chugoku Electric Power that it would tender 6,300,000 shares of the Company’s common stock held by Chugoku Electric Power (ownership ratio: 11.90%; hereinafter referred to as the “Shares to be Tendered”) in the tender offer for shares of the Company to be conducted by the Company, with the sale price to be based on the market share price. Upon

consideration of the mutually optimal capital relationship for the Company and Chugoku Electric Power, the two companies agreed on the number of Shares to be Tendered so that Chugoku Electric Power's ownership ratio of the Company's common stock after the Tender Offer (Note 5) would be at least 33.40%.

(Note 5) This refers to the percentage quotient (rounded to the nearest 0.01%) of the number of shares that Chugoku Electric Power would hold after the Tender Offer if all of the Shares to be Tendered (6,300,000 shares) were acquired by the Company (15,592,259 shares), divided by the number of shares (46,655,419 shares) obtained by subtracting the number of treasury shares held by the Company as of September 30, 2026 (5,182,698 shares) and the number of Shares to be Tendered (6,300,000 shares) from the total number of issued shares (58,138,117 shares) as stated in the Consolidated Financial Results for the Six Months ended September 30, 2026.

Thereafter, the Company continued its deliberations. In determining the price for the purchases, etc. in the Tender Offer (hereinafter referred to as the "Tender Offer Price"), the Company took into consideration the fact that its common stock is listed on a financial instruments exchange and that acquisitions of treasury shares by listed companies are often effected through market purchases on financial instruments exchanges, since this method enables flexible purchases in line with the stock price level formed based on market supply and demand. Based on these considerations, the Company determined that the market price of shares of the Company's common stock should serve as the basis for purchases, emphasizing clarity and objectivity. Furthermore, from the perspective of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold shares of the Company's common stock, the Company determined, in early September 2026, that it should implement the treasury stock acquisition at a price reflecting a certain discount from the Company's market stock price, to minimize the outflow of the Company's assets.

Based on the foregoing considerations, the Company determined that it would be appropriate to set the Tender Offer Price by applying a certain discount to a price determined based on the lower of (i) the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the Resolution Date (as defined below; the same applies hereinafter) and (ii) the simple average of the closing prices over a predetermined period.

The Company then approached Chugoku Electric Power on September 9, 2026, to seek its opinion on a proposal for the Company to acquire 6,300,000 shares of the Company's common stock held by Chugoku Electric Power through a tender offer. Under this proposal, while the Tender Offer Price would be based on the market price of the Company's common stock, the specific Tender Offer Price would be determined through future discussions, taking into consideration not only the stock price at any given point in time but also the average share price over a certain period, and applying a certain discount thereto. The Company proposed that the two companies should consider a schedule under which the treasury stock acquisition would be decided and announced on October 30, 2026, with the tender offer taking place for 20 business days beginning on November 2, 2026. The Company received a reply from Chugoku Electric Power on September 10, 2026, stating that it would pursue discussions premised on the Company's proposal.

Subsequently, the Company also examined the specific level of the discount rate to be applied. The Company referred to cases of tender offers for treasury stock at discounted prices from specified shareholders, similar to the Tender Offer, for which resolutions to implement the tender offer for treasury shares on the Tokyo Stock Exchange were passed between January 1, 2023 and September 30, 2026, and in which a specific discount rate was applied (hereinafter referred to as the "Case Studies"). This examination was conducted to ensure that the discount rate is set at a level that is both objective and reasonable, and to ascertain how discount rates have been set in a certain number of recent comparable transactions. Among the 93 Case Studies, the most common discount rate was 10%. In terms of minimizing the outflow of the Company's assets, the Company determined that it would be ideal to set the discount rate at 15% for its initial proposal to Chugoku Electric Power, aiming for a level reflecting a further discount beyond 10%.

The Company recognizes that the market price of the Company's common stock upon which the Tender Offer Price is based can fluctuate daily due to economic conditions and various other factors. Therefore, the Company believes that the Tender Offer Price should be set at a level that includes a certain discount relative to the most recent market share price, taking into account share price movements over a certain period, in order to mitigate the possibility that the market share price may fall below the Tender Offer Price during the period of the Tender Offer (hereinafter referred to as the "Tender Offer Period"). Based on this belief, the Company decided that it is reasonable to base the Tender Offer Price on the lowest of (i) the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on the last business day before the Resolution Date; (ii) the simple average of the closing prices over the past month; (iii) the simple average of the closing prices over the past three months; and (iv) the simple average of the closing prices over the past six months, each referring to the period up to the Resolution Date.

Based on the foregoing considerations, the Company again approached Chugoku Electric Power on October 1, 2026, to seek its opinion on the Company's proposed Tender Offer Price. This price would represent a 15% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026, which is the last business day before October 30, 2026, the planned date of the resolution of the Board of Directors concerning the implementation of the Tender Offer; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company subsequently received a reply from Chugoku Electric Power on October 6, 2026, proposing that the Tender Offer Price should represent a 5% discount to the highest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. In response, on October 7, 2026, the Company again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at a 13% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company received a reply from Chugoku Electric Power on October 9, 2026, proposing that the Tender Offer Price should represent a 7% discount to the highest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company continued to believe that a deeper discount was desirable, and on October 14, 2026, it again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at a 12% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026. The Company received a reply from Chugoku Electric Power on October 16, 2026, proposing that the Tender Offer Price should represent a 9% discount to either (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, or (ii) the simple average of the closing prices over three months ending October 29, 2026. In response, on October 19, 2026, the Company again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at an 11% discount to the lower of (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, and (ii) the simple average of the closing prices over three months ending October 29, 2026. On this basis, the two companies again engaged in discussions on October 21, 2026, and reached an agreement that the Tender Offer Price should represent a 10% discount to either (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, or (ii) the simple average of the closing prices over three months ending October 29, 2026. Then, on October 29, 2026, based on the stock price trend up to that date, the two companies further agreed that the Tender Offer Price should be 4,614 yen (rounded to the nearest whole number of yen; the same applies hereinafter in calculating the Tender Offer Price), which represents a 10% discount to the simple average of the closing prices of the Company's common stock over three months ending October 29, 2026, which is 5,127 yen (rounded to the nearest whole number of yen; the same applies hereinafter in calculating the simple average of closing prices).

As the Company's common stock is listed on the Tokyo Stock Exchange Prime Market and has an objective market price, the Company believes it is appropriate to use this market price as a reference when calculating and determining the Tender Offer Price. Furthermore, the Company believes that acquiring its common stock from its top shareholder, Chugoku Electric Power, at a price representing a discount to the market price will not damage the interests of the Company's minority shareholders. Therefore, it did not obtain a stock valuation report from a third-party valuation firm when determining the Tender Offer Price.

Based on these factors, at the Board of Directors meeting held on October 30, 2026 (hereinafter referred to as the "Resolution Date"), the Company adopted the following resolution by unanimous vote of the 10 Directors (including Directors who are Audit & Supervisory Committee Members) who took part in the deliberations and resolution (being the 11 Directors minus Hiroyuki Yoshinaga: Note 6)]. The resolution states that the Company will (i) acquire treasury stock pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and the provisions of the Company's Articles of Incorporation, and will implement the Tender Offer as the specific method of this acquisition; (ii) set the Tender Offer Price at 4,614 yen, which represents a 10% discount to the simple average of the closing prices of the Company's common stock over the three months to October 29, 2026, the business day preceding the Resolution Date, which is 5,127 yen; and (iii) set the number of shares to be acquired through the Tender Offer at 6,930,000 shares (ownership ratio: 13.09%).

(Note 6) Among the Directors of the Company, Hiroyuki Yoshinaga concurrently serves as Managing Executive Officer and Head of the Human Resources Development Division of Chugoku Electric Power. He has not participated in any deliberations or resolution of the Company's Board of Directors regarding the Tender Offer, or in any discussions or negotiations with Chugoku Electric Power on behalf of the Company, to eliminate any risk of a conflict of interest in the consideration and determination of the Tender Offer and any arbitrariness in the Company's decision-making process. Akira Sakotani and Takafumi Shigeto, both serving as Director of the Company, have previously served at Chugoku Electric Power. However, both have served exclusively at the Company for a substantial period; moreover, they have had no involvement whatsoever in the Tender Offer on Chugoku Electric Power's behalf, nor are they in a position to be so involved. Accordingly, having determined that there is no risk of a conflict of interest in the consideration and determination of the Tender Offer, Akira Sakotani and Takafumi Shigeto have participated in the aforementioned deliberations and resolution of the Company's Board of Directors.

The Tender Offer Price of 4,614 yen represents a 11.78% discount (rounded to the nearest 0.01%; the same applies hereinafter in calculating discount rates) to 5,230 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on October 29, 2026, the business day preceding the Resolution Date; a 10.44% discount to 5,152 yen, which is the simple average of the closing prices of the Company's common stock over the one month to that date; a 10.01% discount to 5,127 yen, which is the simple average of the closing prices of the Company's common stock over the three months to that date; and a 9.46% discount to 5,096 yen, which is the simple average of the closing prices of the Company's common stock over the six months to that date.

The number of shares to be acquired through the Tender Offer was determined in light of the Company's belief that, as the Tender Offer will be conducted at a price reflecting a discount to the market price of the Company's common stock, active tendering should not be anticipated by shareholders other than Chugoku Electric Power and that, however, the tender offer method is appropriate in terms of ensuring equality among shareholders and transaction transparency. Among the Case Studies, the most common approach (in 46 cases) was to set a number of shares to be acquired that is approximately 10% greater than the number of shares scheduled to be tendered by the specified shareholder. Therefore, the Company considers it appropriate to set an upper limit of 6,930,000 shares (ownership ratio: 13.09%) to be acquired, which is equivalent to approximately 10% more than the number of Shares to be Tendered.

If the total number of share certificates, etc. tendered in the Tender Offer (hereinafter referred to as the "Tendered Share Certificates, etc.") exceeds the number of shares to be acquired, the Company will acquire shares on a pro rata basis. In this case, the Company will only acquire a portion of the Shares to be Tendered, and the remaining Shares to be Tendered will not be acquired. The Company plans to determine the treatment of the portion of the Shares to be Tendered through consultation with Chugoku Electric Power.

The Company plans to fund the Tender Offer entirely from its internal reserves. As of March 31, 2026, the Company's consolidated cash and cash equivalents amounted to 43,605 million yen, and the Company believes that it can fund the Tender Offer without adversely affecting its future business operations, financial soundness, and stability.

After the treasury stock acquisition is completed, the Company plans to cancel all or a portion of the shares of treasury stock acquired through the Tender Offer, by resolution of the Board of Directors pursuant to the provisions of Article 178 of the Companies Act. However, it has yet to determine the details. The Company will make a further disclosure once it has determined the total number of shares to be canceled and the scheduled cancellation date.

2. Details of the resolution by the Board of Directors on the acquisition of treasury stock

(1) Details of the resolution

Class of share certificates, etc.	Total number	Total acquisition cost
Common stock	6,930,100 shares (maximum)	31,975,481,400 yen (maximum)

(Note 1) The total number of shares to be acquired represents 13.09% (rounded to the nearest 0.01%) of the total number of issued shares as of September 30, 2026 (52,955,419 shares, excluding treasury stock).

(Note 2) The total number of shares to be acquired is the maximum total number to be acquired pursuant to the resolution adopted at the Board of Directors meeting held today.

(Note 3) The total acquisition cost is the maximum cost for acquiring shares pursuant to the resolution adopted at the Board of Directors meeting held today.

(Note 4) The shares may be acquired during the period from November 2, 2026 through January 31, 2027.

(Note 5) As applications may exceed the number of shares to be acquired, and pro rata allocation may also result in purchases exceeding that number after trading unit adjustments, the total number of shares to be acquired in the Board of Directors resolution includes one additional trading unit (100 shares) in addition to the planned number of shares to be acquired.

- (2) Listed share certificates, etc. of treasury stock already acquired based on the resolution
Not applicable

3. Overview of the tender offer

(1) Schedule

1) Date of the resolution by the Board of Directors	Friday, October 30, 2026
2) Date of public notice of commencement of the tender offer	Monday, November 2, 2026 The Company will make an electronic public notice and publish a notice to that effect in the Nikkei (Nihon Keizai Shimbun). Website for the electronic public notice: https://disclosure2.edinet-fsa.go.jp/
3) Filing date of the tender offer registration statement	Monday, November 2, 2026
4) Tender offer period	From Monday, November 2, 2026 through Tuesday, December 1, 2026 (20 business days)

(2) Tender offer price

4,614 yen per share of common stock

(3) Rationale for the calculation of the tender offer price

1) Basis of calculation

In calculating the Tender Offer Price, the Company took into consideration the fact that its common stock is listed on a financial instruments exchange and that acquisitions of treasury shares by listed companies are often effected through market purchases on financial instruments exchanges, since this method enables flexible purchases in line with the stock price level formed based on market supply and demand. Based on these considerations, the Company determined that the market price of shares of the Company's common stock should serve as the basis for purchases, emphasizing clarity and objectivity. Furthermore, from the perspective of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold shares of the Company's common stock, the Company determined, in early September 2026, that it should implement the treasury stock acquisition at a price reflecting a certain discount from the Company's market stock price, to minimize the outflow of the Company's assets.

Based on the foregoing considerations, the Company determined that it would be appropriate to set the Tender Offer Price by applying a certain discount to a price determined based on the lower of (i) the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the Resolution Date and (ii) the simple average of the closing prices over a predetermined period.

The Company then approached Chugoku Electric Power on September 9, 2026, to seek its opinion on a proposal for the Company to acquire 6,300,000 shares of the Company's common stock held by Chugoku Electric Power through a tender offer. Under this proposal, while the Tender Offer Price would be based on the market price of the Company's common stock, the specific Tender Offer Price would be determined through future discussions, taking into consideration not only the stock price at any given point in time but also the average share price over a certain period, and applying a certain discount thereto. The Company

proposed that the two companies should consider a schedule under which the treasury stock acquisition would be decided and announced on October 30, 2026, with the tender offer taking place for 20 business days beginning on November 2, 2026. The Company received a reply from Chugoku Electric Power on September 10, 2026, stating that it would pursue discussions premised on the Company's proposal.

Subsequently, the Company proceeded to examine the Tender Offer Price and reached the determination presented below.

The Company also considered the specific level of discount rate to be applied. Among the 93 Case Studies, the most common discount rate was 10%. In terms of minimizing the outflow of the Company's assets, the Company determined that it would be ideal to set the discount rate at 15% for its initial proposal to Chugoku Electric Power, aiming for a level reflecting a further discount beyond 10%.

The Company recognizes that the market price of the Company's common stock upon which the Tender Offer Price is based can fluctuate daily due to economic conditions and various other factors. Therefore, the Company believes that the Tender Offer Price should be set at a level that includes a certain discount relative to the most recent market share price, taking into account share price movements over a certain period, in order to mitigate the possibility that the market share price may fall below the Tender Offer Price during the Tender Offer Period. Based on this belief, the Company decided that it is reasonable to base the Tender Offer Price on the lowest of (i) the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on the last business day before the Resolution Date; (ii) the simple average of the closing prices over the past month; (iii) the simple average of the closing prices over the past three months; and (iv) the simple average of the closing prices over the past six months, each referring to the period up to the Resolution Date.

Based on the foregoing considerations, the Company again approached Chugoku Electric Power on October 1, 2026, to seek its opinion on the Company's proposed Tender Offer Price. This price would represent a 15% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026, which is the last business day before October 30, 2026, the planned date of the resolution of the Board of Directors concerning the implementation of the Tender Offer; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company subsequently received a reply from Chugoku Electric Power on October 6, 2026, proposing that the Tender Offer Price should represent a 5% discount to the highest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. In response, on October 7, 2026, the Company again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at a 13% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company received a reply from Chugoku Electric Power on October 9, 2026, proposing that the Tender Offer Price should represent a 7% discount to the highest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company continued to believe that a deeper discount was desirable, and on October 14, 2026, it again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at a 12% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company received a reply from Chugoku Electric Power on October 16, 2026, proposing that the Tender Offer Price should represent a 9% discount to either (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, or (ii) the simple average of the closing prices over three months ending October 29, 2026. In response, on October 19, 2026, the Company again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at an 11% discount to the lower of (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, and (ii) the simple average of the closing prices over three months ending October 29, 2026. On this basis, the two companies again engaged in discussions on October 21, 2026, and reached an agreement that the Tender Offer Price should represent a 10%

discount to either (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, or (ii) the simple average of the closing prices over three months ending October 29, 2026. Then, on October 29, 2026, based on the stock price trend up to that date, the two companies further agreed that the Tender Offer Price should be 4,614 yen, which represents a 10% discount to the simple average of the closing prices of the Company's common stock over three months ending October 29, 2026, which is 5,127 yen.

Based on these factors, at the Board of Directors meeting held today, the Company adopted the following resolution by unanimous vote of the 10 Directors (including Directors who are Audit & Supervisory Committee Members) who took part in the deliberations and resolution, being the 11 Directors minus Hiroyuki Yoshinaga. The resolution states that the Company will (i) acquire treasury stock pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and the provisions of the Company's Articles of Incorporation, and will implement the Tender Offer as the specific method of this acquisition; (ii) set the Tender Offer Price at 4,614 yen, which represents a 10% discount to the simple average of the closing prices of the Company's common stock over the three months to October 29, 2026, the business day preceding the Resolution Date, which is 5,127 yen; and (iii) set the number of shares to be acquired through the Tender Offer at 6,930,000 shares (ownership ratio: 13.09%).

The Tender Offer Price of 4,614 yen represents a 11.78% discount to 5,230 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on October 29, 2026, the business day preceding the Resolution Date; a 10.44% discount to 5,152 yen, which is the simple average of the closing prices of the Company's common stock over the one month to that date; a 10.01% discount to 5,127 yen, which is the simple average of the closing prices of the Company's common stock over the three months to that date; and a 9.46% discount to 5,096 yen, which is the simple average of the closing prices of the Company's common stock over the six months to that date.

2) Background to the calculation

Based on the considerations described in (i) Basis of calculation, above, the Company again approached Chugoku Electric Power on October 1, 2026, to seek its opinion on the Company's proposed Tender Offer Price. This price would represent a 15% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026, which is the last business day before October 30, 2026, the planned date of the resolution of the Board of Directors concerning the implementation of the Tender Offer; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company subsequently received a reply from Chugoku Electric Power on October 6, 2026, proposing that the Tender Offer Price should represent a 5% discount to the highest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. In response, on October 7, 2026, the Company again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at a 13% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company received a reply from Chugoku Electric Power on October 9, 2026, proposing that the Tender Offer Price should represent a 7% discount to the highest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company continued to believe that a deeper discount was desirable, and on October 14, 2026, it again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at a 12% discount to the lowest of (i) the closing price of the Company's common stock on October 29, 2026; (ii) the simple average of the closing prices over one month ending October 29, 2026; (iii) the simple average of the closing prices over three months ending October 29, 2026; and (iv) the simple average of the closing prices over six months ending October 29, 2026. The Company received a reply from Chugoku Electric Power on October 16, 2026, proposing that the Tender Offer Price should represent a 9% discount to either (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, or (ii) the simple average of the closing prices over three months ending October 29, 2026. In response,

on October 19, 2026, the Company again sought the opinion of Chugoku Electric Power on a proposal to set the Tender Offer Price at an 11% discount to the lower of (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, and (ii) the simple average of the closing prices over three months ending October 29, 2026. On this basis, the two companies again engaged in discussions on October 21, 2026, and reached an agreement that the Tender Offer Price should represent a 10% discount to either (i) the simple average of the closing prices of the Company's common stock over one month ending October 29, 2026, or (ii) the simple average of the closing prices over three months ending October 29, 2026. Then, on October 29, 2026, based on the stock price trend up to that date, the two companies further agreed that the Tender Offer Price should be 4,614 yen, which represents a 10% discount to the simple average of the closing prices of the Company's common stock over three months ending October 29, 2026, which is 5,127 yen.

Based on this, at the Board of Directors meeting held today, the Company adopted the following resolution by unanimous vote of the 10 Directors (including Directors who are Audit & Supervisory Committee Members) who took part in the deliberations and resolution, being the 11 Directors minus Hiroyuki Yoshinaga. The resolution states that the Company will (i) acquire treasury stock pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and the provisions of the Company's Articles of Incorporation, and will implement the Tender Offer as the specific method of this acquisition; (ii) set the Tender Offer Price at 4,614 yen, which represents a 10% discount to the simple average of the closing prices of the Company's common stock over the three months to October 29, 2026, the business day preceding the Resolution Date, which is 5,127 yen; and (iii) set the number of shares to be acquired through the Tender Offer at 6,930,000 shares (ownership ratio: 13.09%).

(4) Number of share certificates, etc. to be acquired

Class of share certificates, etc.	Number of shares to be acquired	Planned number of excess shares	Total
Common stock	6,930,000 shares	— shares	6,930,000 shares

(Note 1) If the total number of Tendered Share Certificates, etc. does not exceed the number of shares to be acquired (6,930,000 shares), all Tendered Share Certificates, etc. will be acquired. If the total number of Tendered Share Certificates, etc. exceeds the number of shares to be acquired (6,930,000 shares), none or only a portion of the excess shares will be acquired, and delivery and other settlement for the acquisition of shares certificates, etc. will be effected on a pro rata basis as prescribed in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments; hereinafter referred to as the "Act") as applied mutatis mutandis pursuant to the provisions of Article 27-22-2, Paragraph 2 of the Act and Article 21 of the Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates by Issuers (Ministry of Finance Order No. 95 of 1994, including subsequent amendments).

(Note 2) Shares constituting less than one trading unit will also be subject to the Tender Offer. In addition, if a shareholder exercises the right to request the purchase of shares of the Company constituting less than one trading unit in accordance with the Companies Act, the Company may, in accordance with statutory procedures, purchase such shares during the Tender Offer Period.

(5) Funds required for the tender offer

32,028,120,000 yen

(Note) This amount represents the sum of the purchase price payable if all of the shares to be acquired (6,930,000 shares) are purchased, plus the estimated amount of the purchase handling fee and other expenses (including printing costs for the public notice, the tender offer explanatory statement, and other necessary documents relating to the Tender Offer, as well as miscellaneous expenses).

(6) Method of settlement

1) Name and head office address of the financial instruments business operator, bank, etc. that will settle the tender offer

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo

2) Settlement commencement date

Wednesday, December 23, 2026

3) Settlement method

Promptly after the expiration of the Tender Offer Period, a notice of purchase by tender offer will be mailed to the address of each person who accepts the offer to purchase or applies to sell share certificates, etc. subject to the Tender Offer (hereinafter referred to as a “Tendering Shareholder, etc.”); or, in the case of a shareholder, etc. who is a foreign resident and does not hold an account with the tender offer agent that is available for transactions (including corporate shareholders, etc.; hereinafter referred to as a “Foreign Shareholder, etc.”), to the address of the shareholder’s standing proxy.

The tender offer will be settled in cash. Each Tendering Shareholder, etc. may receive the sale proceeds under the tender offer, after deducting the applicable amount of withholding tax (Note), by cash remittance or other method, as instructed by the Tendering Shareholder, etc., without delay on or after the settlement commencement date (a remittance fee may be charged).

(Note) Tax treatment of shares purchased through the tender offer

All shareholders are advised to consult a tax accountant or other professional regarding specific tax-related questions, and to make their own judgment.

(i) The tax treatment applicable to individual shareholders who tender their shares in this tender offer is as follows.

(a) Where the Tendering Shareholder, etc. is a resident of Japan or a non-resident with a permanent establishment in Japan

If the amount of money to be delivered in exchange for the shares tendered in the Tender Offer exceeds the portion of the Company’s share capital, etc. corresponding to the shares for which such money is delivered (in other words, where the per-share purchase price exceeds the Company’s per-share amount of share capital, etc.), the excess amount will be treated as a dividend and subject to taxation. The portion of the money delivered in exchange for the shares tendered in the Tender Offer, after deducting the amount treated as a dividend, will constitute income from transfer of shares, etc. If there is no amount treated as a dividend (in other words, where the per-share purchase price is equal to or less than the Company’s amount of share capital, etc.), the entire amount of money delivered will constitute income from transfer.

With respect to the amount treated as a dividend, tax will be withheld at the rate of 20.315%, comprising 15.315% income tax and special income tax for reconstruction (hereinafter referred to as “special income tax for reconstruction”) under the Act on Special Measures Concerning Securing Financial Resources Necessary to Implement Measures for Reconstruction from the Great East Japan Earthquake (Act No. 117 of 2011, including subsequent amendments), and 5% inhabitants tax. (The 5% inhabitants tax will not be specially collected for non-residents with a permanent establishment in Japan.) However, if the Tendering Shareholder, etc. falls under the category of a large shareholder, etc. as prescribed in Article 4-6-2, Paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957, including subsequent amendments; hereinafter referred to as a “large shareholder, etc.”), tax will be withheld at the rate of 20.42% (income tax and special income tax for reconstruction only). In addition, if the aggregate shareholding ratio of the Tendering Shareholder, etc. receiving payment of the amount treated as a dividend and the shareholding ratio of any corporation that would be classified as a family corporation under the Corporation Tax Act (if the Tendering Shareholder, etc. were the shareholder used as the basis for such determination) is 3% or more of the total number of issued shares, etc., then the amount treated as a dividend will be subject to comprehensive taxation.

The amount obtained by deducting the cost basis of the relevant shares from the income from transfer will, in principle, be subject to separate taxation upon filing.

In addition, the income from transfer arising from the Tender Offer will, in principle, be exempt from taxation if the shares, etc. tendered are held in a tax-exempt account, as prescribed in Article 37-14 (concerning tax exemptions for income from the transfer of small amounts of listed shares, etc. in tax-exempt accounts) of the Act

on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments; such an account is hereinafter referred to as a “tax-exempt account”), and the financial instruments business operator, etc. with which the tax-exempt account is held is Nomura Securities Co., Ltd. However, different treatment may apply if the tax-exempt account is held with a financial instruments business operator, etc. other than Nomura Securities Co., Ltd.

(b) Where the Tendering Shareholder, etc. is a non-resident without a permanent establishment in Japan

With respect to the amount treated as a dividend, tax will be withheld at the rate of 15.315% (income tax and special income tax for reconstruction only). However, if the Tendering Shareholder, etc. falls under the category of a large shareholder, etc., tax will be withheld at the rate of 20.42% (income tax and special income tax for reconstruction only). Income arising from the transfer of shares will, in principle, not be subject to taxation.

(ii) If the amount of money to be delivered to a corporate shareholder that has tendered its shares in the Tender Offer exceeds the portion of the Company’s share capital, etc. corresponding to the shares for which such money is delivered, the excess amount will be treated as a dividend. In principle, tax will be withheld from the amount treated as a dividend at the rate of 15.315% (income tax and special income tax for reconstruction only).

However, if the Tendering Shareholder, etc. directly holds more than one-third of the total number of issued shares, etc. of the Company as of the record date for the payment of this dividend (limited to a domestic corporation having its head office or principal office in Japan), then no income tax or special reconstruction income tax will be imposed on the amount to be received from the Company as a dividend, and no tax will be withheld.

In addition, Foreign Shareholders, etc. who wish to receive a reduction of or exemption from income tax under an applicable tax treaty on the amount treated as a dividend should submit a tax treaty notification form together with the tender offer application form to the tender offer agent at the time of application.

(7) Other matters

1) The Tender Offer is not being made, directly or indirectly, in the United States or to or for the account or benefit of persons in the United States, nor is it being made by means of the mail or any other means or instrumentality of interstate or international commerce of the United States (including, but not limited to, telephone, telex, facsimile, email, and internet communications), nor through any securities exchange facility within the United States. Applications to participate in the Tender Offer may not be made by any of the foregoing means or instrumentalities, through any of the foregoing facilities, or from within the United States. In addition, the tender offer statement and any related purchase documents are not being, and may not be, mailed or otherwise sent or distributed in the United States, to the United States, or from within the United States. Applications to participate in the Tender Offer that directly or indirectly violate the foregoing restrictions will not be accepted. In applying to participate in the Tender Offer, Tendering Shareholders, etc. (or, in the case of Foreign Shareholders, etc., their standing proxies) may be required to represent and warrant to the tender offer agent as follows: that the Tendering Shareholders, etc. is not located in the United States at either the time of application or the time of sending the tender offer application form; that it has not received or sent, directly or indirectly, any information relating to the Tender Offer (including copies thereof) in, to, or from within the United States; that it has not used, directly or indirectly, the mail or any other means or instrumentality of interstate or international commerce of the United States (including, but not limited to, telephone, telex, facsimile, email, and internet communications) or any securities exchange facility within the United States in connection with the purchase or the signing and delivery of the tender offer application form; and that it is not acting as an agent with discretionary authority or as a trustee or agent of any other person (except where such other person has given all instructions regarding the purchase from outside the United States).

2) The Company has received confirmation from Chugoku Electric Power that it intends to participate in the Tender Offer for 6,300,000 shares (ownership ratio: 11.90%), part of its shareholding of the Company’s common stock. The Company and Chugoku Electric Power plan to determine, through consultation, their policies regarding the disposal, etc. of any shares of the Company’s common stock that Chugoku Electric Power tenders in the Tender Offer but which cannot be acquired by the

Company as a result of purchases made on a pro rata basis, in the event that the total number of Tendered Share Certificates, etc. exceeds the number of shares to be acquired.

- 3) The Company has announced the Financial Results Report today. An overview of the Company's results, based on the Financial Results Report, is presented below. The contents of this announcement have not undergone an interim review by an auditing firm, pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act. Please see the text of the announcement for details.

Overview of the Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

(From April 1, 2026 to September 30, 2026)

(i) Consolidated income

(Millions of yen)

Accounting period	Six months ended September 30, 2026
Net sales	106,376
Operating profit	13,197
Ordinary profit	13,846
Profit attributable to owners of parent	8,771

(ii) Consolidated per-share information

(Yen)

Accounting period	Six months ended September 30, 2026
Basic earnings per share	165.67
Dividend per share	70.00

- 4) The Company has announced the Notice Concerning the Determination of Dividends of Surplus (Interim Dividend) and Revision of Dividend Forecast today. Please see the text of the announcement for details.

(Reference) Balance of treasury shares as of September 30, 2026

Total number of issued shares at the end of the period (excluding treasury shares): 52,955,419 shares

Number of treasury shares: 5,182,698 shares