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August 8, 2025

**Notice Concerning Commencement of Tender Offer for Shares of Pacific Systems Corporation
(Securities Code: 3847)**

TAIHEIYO CEMENT CORPORATION (the "Tender Offeror"), pursuant to a resolution of its board of directors meeting on this date, decided to acquire the common shares (the "Target Company Shares") of Pacific Systems Corporation (listed on the Standard Market of Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange"); Securities Code: 3847; the "Target Company") by way of tender offer (the "Tender Offer") in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") as follows.

Details

1. Purpose, etc. of Purchase, etc.

(1) Overview of the Tender Offer

The Tender Offeror, as of this date, holds 972,000 shares of the Target Company Shares listed on the Standard Market of the Tokyo Stock Exchange (ownership ratio (Note 1): 65.70%), and the Target Company is a consolidated subsidiary company of the Tender Offeror. Pursuant to a resolution of its board of directors meeting on this date, the Tender Offeror has decided to implement the Tender Offer as part of a transaction aimed at acquiring all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and the treasury shares owned by the Target Company) and making the Target Company a wholly-owned subsidiary company of the Tender Offeror (the "Transaction").

(Note 1) "Ownership ratio" means the ratio (rounded off to two decimal places; the same applies to the calculation of the ownership ratio hereinafter) to the number of shares that is obtained by deducting the number of treasury shares owned by the Target Company (476 shares) as of June 30, 2025 from the total number of issued shares of the Target Company (1,480,000 shares) as of the same date stated in the "Fiscal Year Ending March 2026 First Quarter Summary of Accounts (JGAAP) (Consolidated)" published by the Target Company on this date (the "Target Company First Quarter Summary of Accounts") (1,479,524 shares; the "Base Number of Shares").

Because the purpose of the Tender Offer is to make the Target Company a wholly-owned subsidiary company of the Tender Offeror, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 14,400 shares (ownership ratio: 0.97%) (Note 2), and if the total number of shares tendered in the Tender Offer (the "Tendered Shares") is less than the minimum number of shares to be purchased (14,400 shares), the Tender Offeror will not carry out a purchase, etc. of any of the Tendered Shares. Conversely, because the Tender Offeror aims to acquire all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and the treasury shares owned by the Target Company) and make the Target Company a wholly-owned subsidiary company of the Tender Offeror, the Tender Offeror has not set a maximum number of shares to be purchased in the Transaction, and if the total number of Tendered Shares is equal to or greater than the minimum number of shares to be purchased (14,400 shares), the Tender Offeror will carry out a purchase, etc. all of the Tendered Shares.

(Note 2) The minimum number of shares to be purchased (14,400 shares) has been set as the number of shares

(14,400 shares) obtained by subtracting the number of Target Company Shares owned by the Tender Offeror (972,000 shares) as of this date from the number of shares (986,400 shares) obtained by multiplying the number of voting rights (14,795 voting rights) pertaining to the Base Number of Shares (1,479,524 shares) by two-thirds (9,864 voting rights (rounded up to the nearest whole number)), and then multiplying that number by the Target Company's share unit number (100 shares). The minimum number of shares to be purchased is set in this way because, whereas the Tender Offeror aims to make the Target Company a wholly-owned subsidiary company of the Tender Offeror in the Transaction, Article 309(2) of the Companies Act (Act No. 86 of 2005; as amended; the "Companies Act") stipulates that an extraordinary resolution of the general meeting of shareholders is required when implementing the share consolidation procedures described below in "(4) Reorganization, etc. Policy After the Tender Offer (Matters Concerning So-Called Two-Stage Purchases)," so to ensure that the Transaction is successful, this number has been set to satisfy such requirement by the Tender Offeror owning at least two-thirds of the number of voting rights of all shareholders of the Target Company after the Tender Offer.

In addition, according to the "Notice of Expression of Opinion in Support of Tender Offer for the Company's Shares by the Controlling Shareholder TAIHEIYO CEMENT CORPORATION and Recommendation to Tender in the Tender Offer" published by the Target Company on this day (the "Target Company Press Release"), the Target Company has resolved at its board of directors meeting held on this date to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender in the Tender Offer.

- (2) Background, Purpose, and Decision-Making Process Leading to the Decision to Implement the Tender Offer
- As of March 31, 2025, the Tender Offeror Group (collectively referring to the Tender Offeror and its subsidiary companies and affiliated companies; the same applies hereinafter) is composed of the Tender Offeror, 201 subsidiary companies including the Target Company, and 105 affiliated companies. It conducts business in the segments of the cement business, mineral resources business, environmental business, construction materials and architecture civil engineering business, and other businesses, and it also actively develops new businesses, such as the waste solar panel treatment business and other businesses that contribute to circular economies (Note 1), and provides total solutions (comprehensive solutions) to build safe and secure social infrastructure. The Tender Offeror Group's management philosophy is to "not only pursue economic development, but to conduct business activities that also are in harmony with environmental considerations and contributions to society with the aim of leading the way in developing a sustainable future for the earth" In addition to contributing to the resolution of social issues such as the aging of social infrastructure and waste disposal, the Tender Offeror Group's social mission is to continue to supply high-quality cement and limestone through a robust supply chain both domestic and international that includes the Tender Offeror Group's overseas network.

(Note 1) A "circular economy" refers to an economic system that efficiently circulates resources by conserving and maintaining the value of resources for a long time and minimizing the input and waste of resources.

With regard to the business environment surrounding the Tender Offeror Group, in the domestic cement business that is its main business, while the Tender Offeror believes domestic demand for cement can be expected to continue at a certain level due to urban redevelopment work, work related to the Linear Chuo Shinkansen, building national resilience, addressing disaster prevention and mitigation, and the replacement of aging social infrastructure, etc., it is concerned that soaring construction costs in addition to anticipated delays in work progress and the lengthening of construction periods caused by a lack of skilled laborers at work sites will depress domestic demand for cement in the future. In addition, the Tender Offeror believes it is necessary to continue to proceed with the optimization of sales prices in order to respond to the risk of soaring prices for coal and other raw materials and the increase in manufacturing costs with the background of carbon neutrality (Note 2) and the 2024 problem in the logistics industry (Note 3). In regard to the U.S. economy, while the

Tender Offeror believes business can be expected to expand due to, for example, a total of 1.2 trillion dollars of public investment beginning in earnest based on the Infrastructure Investment and Jobs Act (IIJA) that was signed into law on November 15, 2021 with objectives that include addressing aging infrastructure, growing the economy, and creating employment, as well as investment related to the Los Angeles Olympics and Paralympics that are planned to be held in 2028, currently it will be necessary to observe policy trends such as the introduction of reciprocal tariffs by the U.S. government and their impact, and the Tender Offeror's perception is that future prospects for the environment surrounding the Tender Offeror Group's overseas cement business will continue to be unclear.

(Note 2) "Carbon neutrality" refers to reducing the total obtained by deducting the "absorption volume," for example from planting trees and forest management, from the "emissions volume" of greenhouse gases, including carbon dioxide, substantially to zero.

(Note 3) The "2024 problem in the logistics industry" refers to various problems such as labor shortages, rising freightage, and pass-through to product prices that will arise due to the Work Style Reform Act being applied from April 2024 and truck driver working hours being restricted.

Amid these circumstances, in order to clarify the direction it will take to become a corporate group that does not stop its growth path while contributing to the construction of a sustainable society in the future, the Tender Offeror Group has established the "Future Vision Targeting 2050," which envisions 2050, and the "Taiheiyo Vision 2030," which envisions 2030. Furthermore, as its medium-term plan to realize those visions, on May 14, 2024, it formulated the "26 Medium-Term Management Plan" (the "Medium-Term Management Plan (Tender Offeror)") that covers the period from FY2025 to FY2027, where, as its intended vision, it advances the "3D Approach for Sustainable Future — Three-dimensional approach toward the realization of a sustainable society —," which it aims to connect to an increase in the corporate value of the Tender Offeror Group by promoting a combination of three initiatives: "revitalize domestic business," "further promote global strategy," and "promote sustainability management and contribute to carbon neutrality."

(i) Revitalizing domestic business

In a market environment where domestic cement demand continues to decline, the Tender Offeror Group is working to revitalize domestic business by proceeding to fundamentally revise pricing policy to place emphasis on profitability, provide total solutions (comprehensive solutions) to customers by improving the efficiency of sales systems, etc., and optimize production systems premised on expanding exports of and ensuring a stable domestic supply of blended cement (Note 4).

(Note 4) "Blended cement" refers to a cement created by blending portland cement, which is ordinary cement, with admixtures such as blast furnace slag, fly ash, or silica fine powder in order to reduce energy and CO2 emissions required for production and improve durability, and it is a type of cement stipulated in the Japan Industrial Standards (JIS).

(ii) Further promotion of global strategy

The Tender Offeror Group is promoting its global strategy by strengthening the earnings base of existing cement product and sales businesses in the U.S. and the Philippines through investments in new production lines, etc., entering into the Oceania, India, and Africa areas and expanding its business areas into mineral resources, environmental, and construction materials businesses other than the cement business, and expanding its trading business (Note 5) through the expansion of blended cement and strengthening of its logistics network.

(Note 5) In terms of the expansion of the trading business, the Tender Offeror Group is engaging in initiatives such as sending blended cement, for which demand is growing overseas, directly to customers through its own network by utilizing the know-how it has cultivated to date to strengthen its logistics network.

(iii) Promotion of sustainability management and contribution to carbon neutrality

With the aim of realizing carbon neutrality throughout the supply chain in 2050, the Tender Offeror Group is making efforts for its carbon neutrality strategy, such as the concept of a “carbon neutral model plant” with the aim of establishing innovative cement production technology (Note 6) and promoting the shift to blended cement that utilizes existing technologies. It also promotes sustainability management by steadily working on DX (Note 7) strategy that seeks to increase the efficiency of business by utilizing digital technology to the maximum extent, human capital strategy that seeks to maximize human capital by improving well-being (Note 8) and engagement (Note 9), and IR strategy that aims to build good relationships with stakeholders through timely and appropriate financial condition, management strategy, and other information disclosures.

(Note 6) “Innovative cement production technology” refers to technology that goes beyond conventional cement production technologies to produce high-quality cement using less energy, thereby reducing environmental impact.

(Note 7) “DX” is an abbreviation for “Digital Transformation,” which refers to utilizing data and digital technologies to create new business models and transform existing businesses.

(Note 8) “Well-being” refers to the experience of happiness and comfort that employees can feel in the course of their work.

(Note 9) “Engagement” refers to a voluntary willingness to contribute to the organization.

Furthermore, since the Tender Offeror Group believes that promoting DX is essential for maintaining and strengthening competitiveness and developing new business areas, it has positioned its DX strategy as the core of its growth strategy. In order to fulfill its supply responsibility even in a labor supply-constrained society (Note 10) where it is expected that securing labor domestically will become difficult in the future, the Tender Offeror Group believes it is important to improve efficiency and reduce labor throughout the supply chain, and it highlights production process innovation (smart factory) (Note 11) and improvement of efficiency of management tasks (smart office) (Note 14) as core initiatives for that. In addition, in order to effectively proceed with these measures, the Tender Offeror Group plans to develop more than 450 human resources who will contribute to the promotion of the DX strategy during the period of the Medium-Term Management Plan (Tender Offeror) through collaboration between the DX Department and business divisions, and by positioning the DX strategy as a driving force to realize the Tender Offeror Group's “Future Vision Targeting 2050,” it wants to work to achieve sustainable growth and strengthen its competitiveness.

(Note 10) “Labor supply-constrained society” refers to a society where the labor supply no longer keeps up with demand due to changes in demographics such as a declining birth rate and aging population.

(Note 11) “Smart factory” refers to a plant that utilizes AI (Note 12) and IoT (Note 13) technologies and digital data, etc. to carry out business management.

(Note 12) “AI” is an abbreviation of “artificial intelligence,” which refers to a technology that studies and analyzes data accumulated by computers, makes inferences and decisions, and solves problems, etc.

(Note 13) “IoT” is an abbreviation for “Internet of Things” (internet of things), and it refers to a system where a variety of things are able to mutually exchange information by being connected to the Internet.

(Note 14) “Smart office” refers to an office that promotes the creation of a comfortable environment by introducing IT technologies such as AI and IoT and utilizing high-speed networks.

On the other hand, according to the Target Company, as of March 31, 2025, the Target Company Group (meaning, collectively, the Target Company and its subsidiary company; the same applies hereinafter) is composed of the Target Company and one consolidated subsidiary company. The Target Company Group's management philosophy is “to provide customers with optimal solutions and services based on sound information and communications technology and also conduct business activities harmonized with environmental consideration and social contributions in order to realize a prosperous and advanced information society,” and the Target Company is engaged in information services business aimed mainly at the manufacturing industry, distribution industry, and financial industry, etc., while its subsidiary company

Kabushiki Kaisha SystemBase is engaged in information services business in coordination with the Target Company focused on companies and local governments in Iwate Prefecture, such as the development and sale of systems for critical business (sales, production, accounting, etc.) systems that use computers, various types of information processing and contracted processing for systems that use computers, the leasing, rental, and sale of computers and computer peripherals, and a worker dispatch business. It also conducts transactions with the Tender Offeror Group across the whole of the information services business.

With regard to the business environment surrounding the Target Company Group, according to the Target Company, although the domestic economy continues to be on a gradual recovery trend, the Target Company Group recognizes that the uncertain situation is still ongoing, for example in the impact of prolonged price increases and labor shortages, in addition to policy trends in the U.S. and volatility in financial and capital markets. In these circumstances, the Target Company Group believes that the trend toward DX promotion at companies will continue, that the role of ICT (information and communication technology) (Note 15) such as AI and IoT technologies will become more important than before, and that the appetite for investment in digitization will continue to increase. It also believes that there is rapid progress in the emergence of new technologies and services, and that it is important to respond to these changes according to the circumstances. (Note 15) “ICT (information and communication technology)” collectively refers to technology and methods to gather, process, and transmit information.

According to the Target Company, in this business environment, based on the progress of business and the management environment to date, on May 27, 2024 the Target Company Group formulated the PACIFIC SYSTEMS VISION 2032 (Long-Term Vision) “One step Forward, One step Beyond” (the “Long-Term Vision (Target Company)”) as its strategy for the next 10 years, which sets numerical targets for its final fiscal year of FY2032 of 16 billion yen to 20 billion yen in sales, a 10.0% operating profit margin, ROE of 10.0%, a PBR above 1.0, and a dividend payout ratio of 30.0% to 50.0%. In order to give shape to the Long-Term Vision (Target Company), the Target Company formulated the “26 Medium-Term Management Plan” (The “Medium-Term Management Plan (Target Company)”) with the three years of FY2024 to FY2026 intended as the “three years for the creation.” In accordance with the basic policies under the Medium-Term Management Plan (Target Company) of “understand and enhance our strengths,” “expand existing technologies,” and “acquire new technologies,” the Target Company has expanded research and development investment to a total amount of 568 million yen during the plan period (an increase of 409 million yen compared with the previous medium-term management plan from FY2021 to FY2023) as its highest priority policy, and it is investing in AI, sensing (Note 16), original packages (Note 17), and new products and new technologies. In addition, as a priority policy, it has proceeded with the expansion of AI-related products such as the AI slump prediction system ‘PreSLump AI®’ (Note 18), AI consulting, IoT-related products such as smart factories, a security business that provides comprehensive support from security vulnerability diagnosis and other consulting on corporate cyber risks to the construction and operation of countermeasures systems and employee education, an ERP business that provides wide-ranging support from the planning of ERP introduction projects to the selection, introduction, operation, and subsequent optimization of systems, contracted development of critical business systems, business communication tools, DX solutions, and data centers (in Saitama Prefecture and Iwate Prefecture), etc.

(Note 16) “Sensing” is a general term for technology that measures and quantifies a variety of information using detectors, etc. called sensors.

(Note 17) “Original packages” refers to sales, shipping, and quality management systems for the ready-mixed concrete industry, production management systems for the manufacturing industry, and multi-purpose sales management systems, etc.

(Note 18) “AI slump prediction system ‘PreSLump AI®’” refers to a product developed by the Target Company that predicts a slump value that shows the softness and fluidity of concrete from images of ready-mixed concrete during mixing in the mixer drum using AI image recognition technology.

With regard to the capital relationship between the Tender Offeror and the Target Company, in August 1980, the Tender Offeror's predecessor Chichibu Cement Co., Ltd. founded the Target Company's predecessor System Sogo Kaihatsu Kabushiki Kaisha as its subsidiary company (merged with Kabushiki Kaisha Isis in October 1999 and changed its trade name to Pacific Systems Corporation) with a 100% contribution. Since then, transactions related to the overall information service business have been conducted with the Target Company, which performs the function of the systems affiliated company of the Tender Offeror Group.

In addition, the Target Company Shares owned by the Tender Offeror reached 1,047,000 shares (ratio with respect to the total number of issued shares at the time (1,480,000 shares): 70.74% (rounded off to two decimal places; the same applies to the calculation of the ratio with respect to the total number of issued shares at the time hereinafter)) through the issuance of new shares and secondary distribution when the Target Company Shares were listed with Nasdaq Securities Exchange, Inc. in April 2007. Subsequently, the Tender Offeror sold part of the Target Company Shares through off-market trading in October 2011, so the Target Company Shares owned by the Tender Offeror became 1,017,000 shares (ratio with respect to the total number of issued shares at the time (1,480,000 shares): 68.72%), and then the Tender Offeror sold part of the Target Company Shares through off-market trading in December 2021 as well, whereupon the Target Company Shares owned by the Tender Offeror became 972,000 shares (ratio with respect to the total number of issued shares at the time (1,480,000 shares): 65.68%). Since the listing of the Target Company Shares, the Tender Offeror has maintained its capital relationship and business relationship with the Target Company as a consolidated subsidiary company of the Tender Offeror, and as of today, it owns 972,000 shares of the Target Company Shares (ownership ratio: 65.70%).

Based on the background set forth above, as of today the Tender Offeror delegates system development and information processing services to the Target Company, and it believes that, because of its familiarity with system conditions in the ready-mixed concrete industry, to say nothing of its experience in system construction for the cement business, synergies from the use of IT by the Tender Offeror Group are demonstrated through the Target Company Group functioning as the sole systems-related company of the Tender Offeror Group, as well as its track record in having developed the AI slump prediction system 'PreSLump AI®' that utilizes systems and AI at the request of the Tender Offeror Group. On the other hand, in order to achieve the Medium-Term Management Plan (Tender Offeror) and the Medium-Term Management Plan (Target Company) of each of the Tender Offeror Group and the Target Company Group and to increase their corporate value over the medium- to long-term, it is essential to integrate their mutual management bases, business know-how, and management resources, etc. even more than to date and accelerate their effective use by combining tangible aspects such as the equipment owned by the Target Company Group with intangible aspects such as the AI technology and image processing technology held by the Target Company Group.

However, in the current capital relationship between the Tender Offeror and the Target Company, (i) because the Target Company is a listed company and the Tender Offeror constitutes the controlling shareholder of the Target Company, there are respects in which direct transactions and business arrangements between the Tender Offeror and the Target Company could bring about a conflict of interest between the Tender Offeror and minority shareholders of the Target Company, such as a situation where research and development should be prioritized for the purpose of medium to long-term corporate growth that is not connected to the pursuit of short-term profits, and while the Target Company is a member of the Tender Offeror Group, it is in a position in which it has to manage both business operations that optimally contribute to the entire Tender Offeror Group and business operations that contribute to the interests of minority shareholders, and (ii) for the Tender Offeror as well, because part of the value and profit created by the Target Company belongs to shareholders other than the Tender Offeror under the Target Company's capital structure, the propriety of the Tender Offeror providing the Target Company with any more management resources and know-how could be raised by the Tender Offeror's shareholders, so the Tender Offeror and the Target Company cannot carry out business operations that utilize their respective management resources and know-how to the maximum extent, and therefore at the end of January 2025 the Tender Offeror came to believe that it is necessary to revise the capital relationship.

Under these circumstances, in late January 2025, the Tender Offeror began to consider the Transaction in the

belief that it is necessary to further deepen the collaboration between both companies and to concentrate the management resources of both companies by the Tender Offeror making the Target Company a wholly-owned subsidiary company in order to realize the further enhancement of the corporate value of the Tender Offeror Group, including the Target Company Group.

Specifically, the Tender Offeror believes that the realization of initiatives and synergies such as the following can be expected by making the Target Company a wholly-owned subsidiary company through the Transaction.

- (i) Promotion of DX strategies on a Tender Offeror Group-wide basis, including the Target Company Group, through the integration of digital technologies held by the Target Company Group with the aim of resolving issues, etc. facing the entire supply chain and each business process of the Tender Offeror Group

As set forth above, the Tender Offeror Group believes it is important to proceed with the improvement of efficiency and reduction of labor across the entire supply chain in preparation for the arrival of a labor supply-constrained society and to fulfill its supply responsibility, and it has positioned the “DX strategy” that is directed at resolving that as the core of its growth strategy in the Medium-Term Management Plan (Tender Offeror). Toward the realization of that, whereas up until now there have been certain restrictions on human resources exchanges because the Target Company was in the capital relationship of a consolidated subsidiary company, and as a result, there was insufficient headway in considering utilization in the Tender Offeror Group’s business of, for example, the digital technology possessed by the Target Company Group such as sensing and image processing technology, because the Tender Offeror Group will be able to utilize those technologies to their fullest extent by making human resources exchanges more active and further strengthening business collaboration with the Target Company Group through the Transaction, the Tender Offeror Group believes it will be able to realize sustainable growth and strengthened competitiveness as the Tender Offeror Group by actively promoting production process innovations (smart factory), such as the evolution and automation of and reduction of labor in operations at plants, and improvement of efficiency of management tasks (smart office), such as the assignment of cement tankers and automated dispatching of delivery trucks using AI, which the Tender Offeror Group highlights as its core initiatives.

- (ii) Promotion of investment at the Target Company Group that utilizes the resources of the Tender Offeror Group and that takes a medium- to long-term perspective that is not bound by short-term profits

While the Target Company Group positions research and development investment as its highest priority policy in the Long-Term Vision (Target Company) and the Medium-Term Management Plan (Target Company) and highlights the fact that it is investing in AI, sensing, original packages, and new product and new technologies, the Tender Offeror recognizes that, because research and development investment will be preceded by a certain outlay of expenditures, it is possible that it will not necessarily be in the interest of minority shareholders in the short term, and the Target Company, which is a listed company, is aware that there are certain restrictions on executing investment from a medium- to long-term perspective. In addition, even if the Tender Offeror Group were to provide funding or concentrate its resources for the purpose of optimizing the Tender Offeror Group as a whole, such actions may not necessarily lead to short-term benefits desired by the minority shareholders of the Target Company, and there is a risk that a conflict of interest may arise between the minority shareholders and the Tender Offeror. For this reason, the Tender Offeror Group is also aware that there is a potential conflict of interest structure with minority shareholders of the Target Company, which has made it difficult for the Tender Offeror to flexibly provide funds to the Target Company Group and to concentrate its business resources. The Tender Offeror believes that by making the Target Company a wholly-owned subsidiary company, it will become possible to optimally allocate management resources to the Target Company, and it will also allow the Target Company Group to execute necessary investments from a medium- to long-term perspective without being bound by short-term profits.

- (iii) Improvement of productivity by streamlining corporate functions between the Tender Offeror Group and the Target Company Group

The Tender Offeror believes that making the Target Company a wholly-owned subsidiary company will

allow it to further promote the sharing of overlapping corporate functions (e.g., finance, corporate planning, human resources, general affairs, and public relations) with the Target Company Group, thereby making it possible to improve productivity through administrative process optimization and achieve optimization of management costs for the entire Tender Offeror Group, including the Target Company.

(iv) Reducing the burden of listing maintenance costs for the Target Company

The Target Company Shares will be delisted through the execution of the Transaction, and the Tender Offeror believes that this will make it possible to increase its corporate value because it will allow the Target Company to reduce the cost of maintaining its listing, such as expenses related to summaries of accounts, annual securities reports and other continual information disclosure, audits, the operation of shareholders meetings, and the delegation of administrative work to the shareholder register administrator, and also allow it to invest in its business the management resources that had been committed to creating systems for maintaining its listing.

If the Target Company Shares are delisted through the Transaction, it is generally believed that, as a disadvantage of delisting, it is possible that the Target Company will no longer be able to enjoy the benefits of being a listed company, such as winning social credibility from outside parties, including business partners, maintaining name recognition and hiring human resources utilizing its name recognition, and raising funds from capital markets. However, it is believed that the social credibility and name recognition that the Target Company has accumulated through its business operations to this point will not be lost due to the delisting, but rather, by becoming a wholly-owned subsidiary company of the Tender Offeror, which is listed on the Prime Market of the Tokyo Stock Exchange, it will be possible even more than before to build business relations and hire human resources by making greater use of the Tender Offeror Group's creditworthiness and brand power. In addition, if the Target Company needs to raise funds, it is possible to raise funds from the stock market through the Tender Offeror or to raise funds through indirect financing in the Tender Offeror Group as a whole, so it is believed that if the social credibility and fundraising capacity, etc. of the Tender Offeror Group are comprehensively taken into account, the disadvantages of the Target Company Shares being delisted will be limited.

In addition, since a parent-subsidiary relationship already exists between the Tender Offeror and the Target Company and there will be no substantial change to the existing business operations, the Tender Offeror believes that, apart from the disadvantages associated with the delisting of the Target Company Shares, there will be no particular disadvantages resulting from the Target Company becoming a wholly-owned subsidiary company of the Tender Offeror.

Based on the background set forth above, by a resolution of the board of directors meeting on this date, the Tender Offeror decided to implement the Tender Offer with the purchase, etc. price per share of the Target Company Shares in the Tender Offer (the "Tender Offer Price") being 6,850 yen as part of the Transaction for the purpose of making the Target Company a wholly-owned subsidiary company of the Tender Offeror.

(3) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid a Conflict of Interest

As of this date, the Tender Offeror and the Target Company have respectively taken the following measures as measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid a conflict of interest, in light of the fact that because the Target Company is a consolidated subsidiary company of the Tender Offeror, the Transaction, including the Tender Offer, falls under a material transaction, etc. with a controlling shareholder and falls under a transaction in which, in the examination of the Transaction by the Target Company, there typically is the problem of a structural conflict of interest and the problem of asymmetry of information between the Tender Offeror and the minority shareholders of the Target Company, and further, the fact that among the six directors of the Target Company, Tsutomu Kato is an employee of the Tender Offeror.

(i) Acquisition by the Tender Offeror of a share valuation report from an independent third-party valuation

- firm;
- (ii) Acquisition by the Target Company of a share valuation report from an independent third-party valuation firm;
- (iii) Advice from an independent law firm to the Target Company;
- (iv) Establishment of a special committee and acquisition of a written report by the Target Company;
- (v) Approval by all non-interested directors, and the opinion of all non-interested company auditors of the Target Company that they have no objection;
- (vi) Creation of an independent examination system at the Target Company;
- (vii) Ensuring objective circumstances that guarantee the fairness of the Tender Offer, including the appropriateness of the Tender Offer Price;
- (viii) Considerations to avoid creating a coercive environment.

(4) Policy on Reorganization, etc. After the Tender Offer (Matters Regarding So-Called Two-Stage Acquisition)

If the Tender Offer has been successfully completed but the Tender Offeror is unable to acquire all of the Target Company Shares (excluding Target Company Shares owned by the Tender Offeror and treasury shares owned by the Target Company) in the Tender Offer, the Tender Offeror intends to carry out a series of procedures to make the Tender Offeror the only shareholder of the Target Company using the method set forth below after the Tender Offer is concluded (the "Squeeze-Out Procedures").

(a) Demand for share cash-out

If the total number of voting rights of the Target Company owned by the Tender Offeror comes to 90% or more of the number of voting rights of all shareholders of the Target Company as a result of the conclusion of the Tender Offer and the Target Company becomes a special controlling shareholder as stipulated in Article 179(1) of the Companies Act, the Tender Offeror plans to make a demand to all shareholders of the Target Company who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) (the "Cash-Out Shareholders") to sell all of the Target Company Shares that they own (the "Demand for Share Cash-Out") pursuant to Part II, Chapter II, Section 4-2 of the Companies Act promptly after the completion of settlement of the Tender Offer. In the Demand for Share Cash-Out, the Tender Offeror plans to stipulate that it will deliver to the Cash-Out Shareholders money in the same amount as the Tender Offer Price as consideration for each of the Target Company Shares. In that case, the Tender Offeror will notify the Target Company to that effect and seek approval of the Demand for Share Cash-Out from the Target Company. If the Target Company approves the Demand for Share Cash-Out by a resolution of its board of directors meeting, in accordance with the procedures set forth in the relevant laws and regulations, the Tender Offeror will acquire all of the Target Company Shares owned by all of the Cash-Out Shareholders from the Cash-Out Shareholders on the acquisition date set out in the Demand for Share Cash-Out without requiring the individual approval of the Target Company's shareholders. In that case, the Tender Offeror plans to deliver to each of such Cash-Out Shareholders money in the same amount as the Tender Offer Price as consideration for each of the Target Company Shares that were respectively owned by the Cash-Out Shareholders.

Furthermore, according to the Target Company Press Release, if the Target Company receives a notice from the Tender Offeror that the Tender Offeror intends to make the Demand for Share Cash-Out and regarding matters set forth in the subparagraphs of Article 179-2(1) of the Companies Act, the Target Company plans to approve the Demand for Share Cash-Out at the board of directors meeting of the Target Company.

As provisions of the Companies Act that aim to protect the rights of minority shareholders in relation to the Demand for Share Cash-Out, it is provided that the Cash-Out Shareholders may file a petition with a court to determine the sale price of the Target Company Shares they own in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations. The sale price of the Target Company Shares in the case that the petition mentioned above is filed will be finally determined by the court.

(b) Share consolidation

If the total number of voting rights in the Target Company owned by the Tender Offeror is less than 90% of

the number of voting rights of all shareholders of the Target Company after the conclusion of the Tender Offer, promptly after completion of the settlement of the Tender Offer, the Tender Offeror plans to make a demand to the Target Company to convene an extraordinary shareholders meeting (the “Extraordinary Shareholders Meeting”) with a target date of mid-November 2025 at which the agenda’s proposal items will include a consolidation of the Target Company Shares pursuant to Article 180 of the Companies Act (the “Share Consolidation”) and a partial amendment of the articles of incorporation to abolish the provision on share units on the condition that the Share Consolidation takes effect. The Tender Offeror plans to approve the above proposals at the Extraordinary Shareholders Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, on the date that the Share Consolidation takes effect, the Target Company's shareholders will own the number of Target Company Shares that is in proportion to the ratio of the Share Consolidation approved at the Extraordinary Shareholders Meeting. If fractions of less than one share arise in the number of shares as a result of the Share Consolidation, money obtained from selling the Target Company Shares in a number that is equal to the total sum of those fractions (if there is a fraction less than one share in that total sum, that fraction will be discarded; the same applies hereinafter) to the Target Company or the Tender Offeror will be delivered to the shareholders of the Target Company for whom a fraction has occurred in accordance with the procedures prescribed in Article 235 of the Companies Act and other applicable laws and regulations. After having calculated, with respect to the sale price of the Target Company Shares equivalent to the total sum of the relevant fractions, that the amount of money to be delivered to the shareholders of the Target Company who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) as a result of the sale will be the same as the price calculated by multiplying the Tender Offer Price by the number of shares of Target Company Shares owned by such shareholders of the Target Company, the Tender Offeror plans to demand that the Target Company petition the court for permission for sale by private contract. In addition, the ratio for consolidation of the Target Company Shares has not been established as of this date, but the Tender Offeror plans to demand that the Target Company determine that the number of Target Company Shares owned by shareholders of the Target Company who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) be a fraction that is less than one share so that only the Tender Offeror owns all of the Target Company Shares (excluding Target Company Shares owned by the Tender Offeror and treasury shares owned by the Target Company). Furthermore, according to the Target Company Press Release, the Target Company plans to agree to these demands by the Tender Offeror if the Tender Offer is concluded.

As provisions of the Companies Act that aim to protect the rights of minority shareholders in relation to the Share Consolidation, it is provided that if there are fractional shares less than one share as a result of the Share Consolidation, shareholders of the Target Company who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) may demand that the Target Company purchase all such fractional shares that they own at a fair price, and may file a petition to the court to determine the price of the Target Company Shares in accordance with the provisions of Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations. The sale price of the Target Company Shares in the case that the petition mentioned above is filed will be finally determined by the court.

The method and timing of the implementation of the procedures set forth in (a) and (b) above may change depending on circumstances such as an amendment, enforcement, or interpretation by the authorities, etc. of the relevant laws and regulations. However, even in that case, it is planned that a method that ultimately delivers money to shareholders of the Target Company who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) will be adopted, and in that event the amount of money to be delivered to each such shareholder is planned to be calculated so that it is the same as the price calculated by multiplying the number of Target Company Shares owned by each such shareholder by the Tender Offer Price.

It is planned that after discussions with the Target Company and as soon as a decision is made, the Target Company will make a public announcement promptly with respect to the specific procedures and timing for implementation in each of the above cases.

The Tender Offer is in no respect one that solicits approval by the shareholders of the Target Company at the

Extraordinary Shareholders Meeting. In addition, each of the Target Company's shareholders should confirm with a certified public tax accountant or other specialist, at its own responsibility, the handling of taxes in relation to tendering in the Tender Offer or the above procedures.

(5) Likelihood of Delisting and Reasons Therefor

Although the Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange as of this date, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, so the Target Company Shares might be delisted through prescribed procedures in accordance with delisting criteria set out by the Tokyo Stock Exchange depending on the result of the Tender Offer.

In addition, even if they do not fall under those criteria at the time of conclusion of the Tender Offer, the Tender Offeror plans to carry out the Squeeze-Out Procedures described in "(4) Policy on Reorganization, etc. After the Tender Offer (Matters Regarding So-Called Two-Stage Acquisition)" above after the conclusion of the Tender Offer, so if it has implemented those procedures, the Target Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. After delisting, the Target Company Shares will be untradeable on the Standard Market of the Tokyo Stock Exchange.

2. Outline of the Purchase, etc.

(1) Outline of the Target Company

(a) Name	Pacific Systems Corporation	
(b) Location	4-19 Tajima 8-chome, Sakura-ku, Saitama-shi, Saitama	
(c) Name and title of representative	Yasuhiro Watanabe, Representative Director and President	
(d) Business details	<ol style="list-style-type: none"> 1. System sales (business package systems, solutions by business, and infrastructure construction) 2. System operation and management, etc. (data centers, outsourcing services, housing, etc.) 3. Software development (contracted development of applications for manufacturing, distribution, and finance, etc., and ERP construction) 4. Equipment, etc. sales (sales of personal computers, servers, and peripherals, etc.) 	
(e) Stated capital	777,875,000 yen (as of June 30, 2025)	
(f) Date of establishment	August 14, 1980	
(g) Major shareholders and shareholding ratio (as of March 31, 2025)	TAIHEIYO CEMENT CORPORATION	65.69%
	Pacific Systems Corporation Employee Shareholding Association	4.89%
	AGS Corporation	2.02%
	The Musashino Bank, Ltd.	2.02%
	HIKARI TSUSHIN, INC.	1.20%
	Mizuho Leasing Company, Limited	0.67%
	Koji Yamagami	0.62%
	Tsuneo Masuko	0.60%
	Tsuyoshi Kominami	0.56%
	Yoshiki Nakajima	0.48%
(h) Relationships between listed companies and the Target Company		
	Capital relationships	As of today, the Tender Offeror owns 972,000 shares (ownership ratio: 65.70%) of the Target Company Shares and has made the Target Company a consolidated subsidiary company.

	Personnel relationships	As of today, one of the six directors of the Target Company (Tsutomu Kato) concurrently serves as an employee of the Tender Offeror. In addition to the above, as of today, three employees of the Target Company have been seconded to the Tender Offeror, and one employee of the Tender Offeror has been seconded to the Target Company.
	Business relationships	The Tender Offeror is being sold products and being provided with services by the Target Company, and the Tender Offeror is leasing a building to the Target Company.
	Status as related parties	The Target Company is a consolidated subsidiary company of the Tender Offeror, and the Target Company and the Tender Offeror constitute related parties of each other.

(Note) “(g) Major shareholders and shareholding ratio (as of March 31, 2025)” is stated based on the “Major Shareholders” in the annual securities report for the 25th fiscal year submitted by the Target Company on June 17, 2025.

(2) Schedule, etc.

(a) Schedule

Date of board of directors meeting resolution	August 8, 2025 (Friday)
Date of public notice for commencement of Tender Offer	August 12, 2025 (Tuesday) Electronic public notice will be issued and notice to that effect will be published in the Nihon Keizai Shimbun. (URL of electronic notice: https://disclosure2.edinet-fsa.go.jp/) However, as this day is a holiday for newspapers, it will be published on August 13, 2025 (Wednesday).
Submission date for tender offer statement	August 12, 2025 (Tuesday)

(b) Initial purchase, etc. period in statement

From August 12, 2025 (Tuesday) to September 24, 2025 (Wednesday) (30 business days)

(c) Possibility of extension based on a request by the Target Company

Not applicable.

(3) Purchase, etc. price

6,850 yen per one share of common stock

(4) Number of shares to be purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
507,524 shares	14,400 shares	— shares

(Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (14,400 shares), the purchase, etc. of all of the Tendered Shares will not be carried out. If the total number of the Tendered Shares is at least the minimum number of shares to be purchased (14,400 shares), the purchase, etc. of all of the Tendered Shares will be carried out.

(Note 2) The Tender Offeror does not intend to acquire any treasury shares held by the Target Company in the Tender Offer.

(Note 3) A maximum number of shares to be purchased has not been set in the Tender Offer, so 507,524 shares, which is the largest number of Target Company Shares that the Tender Offeror will purchase, etc. in the Tender Offer, is stated for the number of shares to be purchased. This is the number of shares (507,524 shares) obtained by deducting the number of Target Company Shares owned by the Tender Offeror as of today (972,000 shares) from the Base Number of Shares (1,479,524 shares).

(Note 4) Shares that are less than one unit are also subject to the Tender Offer. If a shareholder exercises its right to request purchase of shares under the Companies Act with respect to shares that are less than one unit, the Target Company may conduct a stock buyback during the tender offer period through the procedures provided for by laws and regulations.

3. Policy, etc. After Tender Offer and Future Outlook

For policies, etc. after the Tender Offer, please see "(2) Background, Purpose, and Decision-Making Process Leading to the Decision to Implement the Tender Offer," "(4) Policy on Reorganization, etc. After the Tender Offer (Matters Regarding So-Called Two-Stage Acquisition)," and "(5) Likelihood of Delisting and Reasons Therefor" under "1. Purpose, etc. of Purchase, etc." above.

End