

Q&A regarding The Tender Offer for shares of SHiDAX

As is Oct 5th 2022

1. Who and what is this transaction based on?

It is Based on "Right of Claim to sell" as defined in the shareholders' agreement between the SHiDAX founders and Unison.

- Shareholders Agreement, dated as of May. 17, 2019, between the SHiDAX Founders and Unison, pursuant to which SHiDAX accepted Unison's investment.
- The shareholders' agreement provides that the SHiDAX founders has the right (the right of claim to sell) to Unison to sell all of the SHiDAX shares owned by Unison to the founders, or the person designated by the SHiDAX founders.
- The acquisition of SHiDAX shares by Oisix will be conducted based on the exercise of the "right of claim to sell" described above.

2. What is the "the Right of claim to sell" exercised by the SHiDAX founders this time?

This is the right of the founders to request Unison to sell all the shares of SHiDAX owned by Unison to a founders or a person designated by the founders. If this right is exercised, Unison will be obligated to sell its shareholdings accordingly.

3. When Oisix acquire about 27% of shares, there is no need for a tender offer, why is The Tender Offer conducted this time?

As pointed out, no tender offer is required in the normal course, but we are conducting a tender offer in response to the strong intention expressed by Unison.

- Acquisitions of more than 1-third (33.34% or more) of the shares of the target company are required through a tender offer. However, in this case, we are aiming to acquire just 27.02% of SHiDAX shares , and essentially do not require tender offer procedures.
- For this reason, we initially asked Unison to one-on-one trading.
- However, in response to the strong intention of the seller, Unison, that the Transaction should be conducted through a tender offer, we have decided to conduct the acquisition process through a tender offer.

4. Why is The Tender Offer price ¥541? Why is it a discounted The Tender Offer that is lower than the current price of SHiDAX?

This is because ¥541 per share is an amount agreed upon in advance in the shareholder agreement between the SHiDAX founders and Unison.

- The method of calculating the sale price of SHiDAX shares held by Unison in the case that the right of claim to sell is exercised is clearly defined in the agreement between shareholders in advance.
- This exercise of the right of claim to sell was made on Jun. 27, 2022, and the price per share calculated in accordance with the calculation method under the agreement between shareholders is ¥541.
- The Tender Offer Price is the price calculated under the contract, although it is discounted as a result in light of the current level of the stock price.

5. Won't anyone apply with discount TOB?

The Tender Offer is intended to acquire Unison's shares, and Unison believes it is obligated to sell the shares under the Shareholders' Agreement regardless of the current share price.

- The Tender Offer was made as part of the transfer process for the purpose of acquiring the shares owned by Unison pursuant to the exercise of the right of claim to sell as stipulated in the shareholder agreement between the SHiDAX founders and Unison.
- As a result, we do not expect a large number of applications from general shareholders in the first place.
- However, because Unison is obligated to sell under the agreement between the Shareholders, from the viewpoint of compliance with the agreement, we believe that Unison is obligated to sell under the agreement between the Shareholders regardless of the current share price.

6. SHiDAX has disclosed a statement of opposition. What are your thoughts on this?

We are very pleased to hear the support of the business manager. On the other hand, it is very disappointing that the Board of Directors of SHiDAX, which includes outside directors who have been appointed by Unison and may be affected by specific shareholders, dissented without being drawn from the aspirations of the business manager. However, we recognize that there will be no impact on The Tender Offer process that is being conducted as part of the procedures, so we will continue the procedures smoothly.

- Oisix have received a letter from SHiDAX business manager on Sep. 6.
- 1 of the 3 directors who participated in the resolution in this dissent resolution is an outside director appointed and appointed by Unison under the capital and business alliance agreement between Unison and SHiDAX. We recognize that the dissent has been resolved in a situation that may be affected by Unison's intentions.
- Since no condition such as "expression of endorsement by the target company" is attached as a condition for exercising the right of claim to sell, we believe that there will be no impact on The Tender Offer procedures.

7. What is Oisix's position on the "concern about violating insider trading regulations" pointed out by Unison?

As of Aug. 29, when we decided to acquire SHiDAX shares through a tender offer, we are aware that SHiDAX has no insider information, and we do not believe there are any concerns that it will violate insider trading regulations.

- Unison's release stated that "we are aware of the existence and content of third-party proposals and that SHiDAX is considering this, and that if Oisix conducts a tender offer in the absence of SHiDAX public announcements of such facts, there is a high risk of violating insider trading regulations." However, we do not believe that there is any concern that there will be any violation of insider trading regulations for the following reasons.
- From the SHiDAX founders, Oisix heard that SHiDAX had not concluded a confidentiality agreement with the proposer regarding the proposal pointed out by Unison, and that there was no discussion at the Board of Directors meeting.
- According to minutes of SHiDAX's Board of Directors and Audit & Supervisory Board Report Meeting on Aug. 19, SHiDAX CEO, Mr.Shida reported that SHiDAX believes that proposals from other companies can be arranged that they are not insider information, and that they are not worth considering.
- * With regard to the proposal from COLOWIDE regarding SHiDAX's food service business, SHiDAX and COLOWIDE officially announced that the proposal was withdrawn in a release dated Sep. 15.

8. Wouldn't Unison be willing to sell at a price lower than the current share price?

The method of calculating the sale price of SHiDAX shares held by Unison is clearly defined in advance in the shareholders' agreement. The price calculated in accordance with this calculation method is ¥541. Since Unison is obligated to sell shares at the Tender offer Price (¥541/share) in accordance with the Shareholders' Agreement. Unison is obligated to subscribe to the tender offer from the viewpoint of compliance with the Agreement regardless of Unison's intention.

9. Unison insists that "SHiDAX expresses its endorsement of the Tender offer" as a "condition for tendering shares in the tender offer. What are your thoughts on this?"

We believe that the obligation to sell incurred by Unison will not be affected in any way by the opinion expressed by SHiDAX. (In addition, we have received an endorsement of the opinion from the business manager.)

- The Transaction was conducted based on the exercise of "claim for sell" specified within the shareholder agreement entered between the SHiDAX founders and Unison, but it does not include a condition such as a "representation of consent by the target company" as a condition to the exercise of the claim for sale under the agreement between the shareholders.
- For this reason, we believe that Unison is obligated to subscribe to the Tender offer regardless of SHiDAX's express of opinion.

10. What if Unison does not tender its shares in The Tender Offer?

We believe Unison is obligated to subscribe because of the obligation to sell under the Shareholders' Agreement. If Unison does not subscribe to a tender offer, we will consider requiring the parties to take legal action.

11. What is the "Provisional disposition order" that was announced on September 7? What are the implications of this procedure?

The Court decided not to dispose of SHiDAX shares held by Unison other than us. As a result, the Unison will not be able to dispose of its shares in SHiDAX to third parties other than us.

- This Provisional disposition order was decided by the Tokyo District Court after considering the details of the shareholder agreement between the founders and Unison.
- We believe that the Provisional disposition order means the court has reached a certain conclusion regarding the existence of the Unison's obligation to sell the Unison.
- As long as there is this Provisional disposition order, SHiDAX shares held by the Unison may not continue to be disposed of to third parties other than Oisix even if the Unison does not subscribe to the Tender offer.

12. Why does the SHiDAX founded believe it is necessary to file this Provisional disposition order and why is it going through the process?

We have been informed by SHiDAX founders that this is because the SHiDAX founders concluded that it was necessary to prevent the unison from being sold to a third party other than us, and also because the unison asserted an unreasonable requirement not stipulated in the Shareholders' Agreement (a statement of endorsement by SHiDAX) and made it clear that it might not fulfill its sales obligations in violation of the Agreement.

- The "statement of endorsement by SHiDAX," which the Unison refers to as a "condition of application," is not a condition of application stipulated in the Shareholder Agreement, but is a condition unilaterally asserted by the Unison.
- The founders of SHiDAX has filed provisional disposition order because of the possibility of a sale to a third party if the Unison insists on unilateral terms and does not fulfill its obligation to sell.

13. How long is the provisional disposition order of transfer valid?

The provisional disposition order has no expiration date and is valid unless the SHiDAX founders withdraws their application.

- When the SHiDAX founders withdraw the petition, they are required to obtain Oisix's approval for the withdrawal.
- We do not intend to approve the withdrawal of the petition even though no sale of SHiDAX shares by the Unison to us will be made pursuant to the sale obligation under the Shareholders' Agreement.
- Accordingly, as long as there is this provisional disposition order, SHiDAX shares owned by the Unison may not be disposed of to any third party other than us even if the Unison does not subscribe to the Tender offer.

*However, in the event that the Unison files an objection and the court vacates the provisional disposition order, the order will cease to be effective.

14. How will the proposed acquisition of the food service business by COLOWIDE to SHiDAX affect The Tender Offer?

There is no impact. We will continue to make steady acquisitions through tender offers.

* Regarding the proposal from COLOWIDE to SHiDAX's food service business, the official announcement from COLOWIDE and SHiDAX dated Sep. 15 stated that the proposal has been withdrawn.

15. Why was the "Notice of Amendment to Tender Offer Registration Statement" disclosed on Sep. 8 and 20?

We disclosed in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange.

- If any correction is required to the contents of the Tender Offer Registration Statement announced on Aug. 29, it is necessary to make such correction in accordance with the rules and regulations of the Tokyo Stock Exchange.
- The amendments have been made because (1) SHiDAX expressed its opinion, (2) the Court issued this temporary restraining order, and (3) COLOWIDE withdrew its proposal after the Aug. 29 Notice, which resulted in the filing of an amendment to the Tender Offer Registration Statement in accordance with the Financial Instruments and Exchange Law.

16. Why was the Tender Offer period extended from its original end date of Sep. 28 to Oct. 5?

This is because the Tender Offer must be extended in accordance with the provisions of the Financial Instruments and Exchange Law and other related laws and regulations. If an amendment to the Tender Offer notification is filed, the Tender Offer period must be extended until "10 business days have elapsed from the date of filing".

- In a release from SHiDAX and COLOWIDE dated Sep. 15, it was announced that COLOWIDE had withdrawn its proposal to SHiDAX for the food service business. As a result, there were reasons to amend some of the items in the Tender Offer Registration Statement, and we disclosed the amended information on Sep. 20.
- For this reason, we have filed an amendment to the Tender Offer Registration Statement on Sep. 20. Accordingly, we have extended the Tender Offer period until Oct. 5.
 - * If any event arises in the future that would require the filing of an amendment to the Tender Offer Registration Statement, the time period will be extended in the same manner.

17. [update] Why was the Tender Offer period extended from its original end date of Oct. 5 to Oct. 20?

This is because we expect to reach an agreement on or around Oct. 7 regarding the discussions we are having with SHiDAX and the SHiDAX Founders.

- In the past, SHiDAX has pointed out to us that it may not be possible to fairly consider collaboration in the food-related business. However, we have recently held direct discussions with SHiDAX and the SHiDAX Founders regarding a solution to this issue.
- As a result, we expect to reach an agreement on the issue on or around Oct. 7, and we would like to request the Unison to apply for the Tender Offer again after reaching an agreement during the Tender Offer period. Therefore, we have decided to extend the Tender Offer period for this procedure.