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September 6, 2024

Company name:	The Chiba Bank, Ltd.
Name of representative:	Tsutomu Yonemoto, President (Securities code: 8331; Tokyo Stock Exchange, Prime Market)
Inquiries:	Taro Kanzawa, Executive Officer (Telephone: +81-43-245-1111)

### **Notice Concerning Commencement of Tender Offer for Shares, Etc., of EDGE Technology Inc. (Securities Code: 4268)**

The Chiba Bank, Ltd. (the “**Tender Offeror**”) hereby announces as follows that its Board of Directors has resolved at the meeting held on September 6, 2024, to acquire the common shares (the “**Target Company Shares**”) and the Share Options (as defined in “(3) Price for Purchase” of “2. Outline of Purchase” below; hereinafter the same applies) of EDGE Technology Inc. (securities code 4268, the Tokyo Stock Exchange, Inc. (the “**TSE**”) Growth Market; the “**Target Company**”) through a tender offer (the “**Tender Offer**”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

#### 1. Purpose of Purchase

##### (1) Outline of Tender Offer

The Tender Offeror has resolved at the meeting of its Board of Directors held on September 6, 2024, to implement the Tender Offer as part of the transaction to make the Target Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Target Company Shares listed on the TSE Growth Market (including the Target Company Shares to be delivered upon exercise of the Share Options, but excluding the treasury shares held by the Target Company) and all of the Share Options (the “**Transaction**”). As of today, the Tender Offeror does not hold any Target Company Share or the Share Option. In addition, the price for purchase of the Share Options in the Tender Offer (the “**Share Option Purchase Price**”) is set at one (1) yen per unit, given that the Share Options were issued as “stock options” to the officers, employees, and external collaborators of the Target Company, and that it is required, as a condition for the exercise of the Share Options, that the holder of the Share Options (the “**Share Options Holder**”), at the time of exercise, holds the position of director, auditor, executive officer or employee of the Target Company or any subsidiary of the Target Company (the Target Company does not have any subsidiary as of September 6, 2024) or has a continuing contractual relationship of mandate, contract for work or otherwise with the Target Company or any subsidiary of the Target Company, whether as a counsel, advisor, consultant or otherwise, regardless of the name thereof, which renders it impossible for the Tender Offeror to exercise the Share Options even if the Tender Offeror acquires the Share Options. Therefore, it is not envisaged that, in the Tender Offer, the Share Option Holders will tender the Share Options as opposed to the Target Company Shares to be delivered upon exercise of the Share Options.

In relation to the Tender Offer, the Tender Offeror entered into a certain tender agreement dated September 6, 2024 with Mr. Koji Sumimoto, the Representative Director and President of and the controlling, the major

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and the largest shareholder of the Target Company (as of September 6, 2024) (“**Mr. Sumimoto**”), pursuant to which Mr. Sumimoto agreed to tender all of his Target Company Shares (7,027,500 shares, shareholding percentage 65.15%) in the Tender Offer (the “**Tender Agreement**”).

According to the Target Company’s press release, “Notice regarding Expression of Opinion in Support of the Tender Offer for the Company’s Shares, Etc. by The Chiba Bank, Ltd. and Recommendation to Tender ” disclosed on September 6, 2024, the Target Company resolved at the meeting of its Board of Directors held on September 6, 2024, to (i) express its opinion to support the Tender Offer, (ii) recommend that its shareholders tender their shares in the Tender Offer, and (iii) leave the decision on whether to tender the Share Options in the Tender Offer up to the Share Options Holders.

## (2) Background, Purpose, and Decision-making Process Leading to Decision to Implement Tender Offer

The Tender Offeror was founded as The Chiba Bank, Ltd. in March 1943 through a merger of three banks: Chiba Godo Bank, Omigawa Agricultural and Commercial Bank, and the Kujuhachi Bank. In October 1970, the Tender Offeror’s shares were listed on the TSE 2nd Section, and, in August 1971, they were moved to the TSE 1st Section. Subsequently, the Tender Offeror’s shares were moved from the TSE 1st Section to the Prime Market due to the TSE’s market restructuring in April 2022. As of today, the Tender Offeror’s group (the corporate group consisting of the Tender Offeror, the Tender Offeror’s 14 subsidiaries, and the Tender Offeror’s 8 affiliated companies to which the equity method is not applied; the “**Tender Offeror Group**”) provides a wide range of financial instruments and services to the community. The Tender Offeror Group considers its corporate group purpose to be providing, not only functional value, which focuses on financial services such as deposits, loans and foreign exchange, but also societal value, such as contributing to the resolution of regional issues. In order to align its views with the Tender Offeror’s stakeholders, which include customers, shareholders, and employees, as well as to continue to be a close presence for each person and company within the local community and to make the local community “a place where our stakeholders’ hopes can come to life,” the Tender Offeror has defined its core purpose as “to create a local community better suited to bringing each person’s hope to life.” In order to achieve this purpose, the Tender Offeror Group has established a corporate vision of “an Engagement Bank Group that works closely with the community” while aiming to become “a Bank Group that seeks to keep growing together along with the entire region by providing value through deep connections with all of its stakeholders including customers, shareholders, and employees.”

The Tender Offeror Group launched its 15th Mid-term Plan, “Engagement Bank Group - Phase 1” (the “**15th Mid-term Plan**”), covering the period from April 2023 to March 2026. In addition, the Tender Offeror Group established a set of operational guidelines in the 15th Mid-term Plan centered on “the evolution of the customer-focused business model” and strives to further improve engagement with its customers by changing its perspective on delivering products and services as a means towards creating the optimal customer experience. The 15th Mid-term Plan sets out three “Basic Policies (“Creating the optimal customer experience,” “Enhancing the quality of existing business,” and “Providing new value”))” and prioritizes the strengthening of the five “Value Creation Bases (“DX,” “GX,” “Alliances,” “Human Capital,” and “Group Governance”))” that support these policies. The details of the three basic policies and the five value creation bases are as follows.

### Three Basic Policies

#### (i) Creating the optimal customer experience

- Deliver personalized proposals utilizing a wide range of data.

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- Provide in-person, remote, and digital channels most-suited to the customer.
- (ii) Enhancing the quality of existing business
  - Further increase the quality of solutions designed to address customer issues.
- (iii) Providing new value
  - Provide new-found value to customers by entering into new business areas.

#### Five Value Creation Bases

##### (i) DX (Digital Transformation)

- Enhance the DX promotion framework and related personnel, utilize new technologies, strengthen cyber risk management.

##### (ii) GX (Green Transformation)

- Enhance initiatives designed to lead the region towards decarbonization.

##### (iii) Alliances

- Improve the ability to provide value through alliances with other banks and industries.

##### (iv) Human Capital

- Enhance human resources development through proactive investment in “human capital,” the most important management resource.

##### (v) Group Governance

- Enhance group governance designed to promote integrated Group management equivalent to a holding company structure.

In addition, the Tender Offeror, having adopted a DX strategy, “Chibagin DX [3.0],” that aims at “Creating the optimal customer experience” based on two (2) pillar strategies: “Personalization Strategy” of utilizing data to deliver the optimal proposal to each customer at the optimal time through the optimal channel; and “Regional Ecosystem Strategy” of connecting corporate customers and retail customers in the local community to revitalize the regional economy cycle, believes that deepening alliances with different industries and promoting collaboration as a part of its efforts to strengthen its initiatives to evolve the financial business and to create non-financial business in “(i) DX (Digital Transformation)” pursuant to such DX strategy will result in increasing the value provided to each stakeholder more than ever before.

On the other hand, according to the Target Company, Mr. Sumimoto, the representative director of the Target Company, established a database solution business around January 2006; as the business expanded, “Edge System, Inc.” was established in September 2008, and the Target Company was established in May 2014 through a transfer of some of the assets of its predecessor, Edge System, Inc., with the intention of further focusing on the consulting and technology fields using AI algorithms beyond the database solution business. According to the Target Company, the Target Company Shares were listed on the TSE Mothers in February 2022 and following the TSE market restructuring in April 2022, moved from the Mothers to the Growth Market, where they have been listed ever since.

According to the Target Company, under its corporate philosophy of “bringing happiness to people around the world through technology,” the Target Company is engaged in the AI Algorithm (Note 1) Business designed to solve issues of its customers and contribute to society through AI algorithms (specifically, providing AI Solution Services, providing AI Education Services, and developing/selling AI Products). According to the Target Company, while its business has a single segment of AI Algorithm Business, it can be divided into the following three (3) services based on the characteristics of the main services.

##### (i) AI Solution Services

According to the Target Company, it provides AI Solution Services that implement AI algorithms into customer operations and systems. According to the Target Company, through these services, it can conduct

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the following processes in a continuous streamlined method: conduct business analysis with the aim of improving customer operations and solving management issues, identify issues that can be solved through the use of data and conduct a proof of concept (PoC) (Note 2), integrate AI algorithms into existing operations and systems and implement and operate the AI algorithms.

According to the Target Company, it has a freelance AI personnel database created through sources such as “BIGDATANA VI” and is continuing to expand its AI personnel database. According to the Target Company, it uses this AI personnel database and, in many cases, organizes and deploys specialized teams of the Target Company’s employees (salespersons and consultants (Note 3)) and freelancers based on the business issues of its customers, which characterizes the Target Company’s services.

(ii) AI Education Services

According to the Target Company, it provides educational courses for individuals and corporate training specializing in AI technology and fee-based recruitment services specializing in the field of AI. According to the Target Company, its strength in these services is also its AI personnel database, which can be utilized to offer a wide range of highly specialized AI courses (Note 4) with a team of 80 experienced instructors (as of the end of April 2024) who meet the Target Company’s own standards in terms of technical knowledge, communication skills required to provide educational guidance, and so on.

(iii) AI Product Services

According to the Target Company, it is engaged in the sale of AI-implemented products (Note 5). According to the Target Company, the product currently being sold is “GeAIne,” which is an AI sales support system released in 2017. According to the Target Company, GeAIne allows users, by simply uploading a list of companies to which they want to send sales documents, to automatically enter pre-defined sales documents in batches into the inquiry forms of the companies on the list.

According to the Target Company, its AI product services are not intended to meet the needs of a specific company but are rather intended to be offered at low cost to a number of companies facing the same issues. According to the Target Company, through the operation of GeAIne, it already acquired the know-how to sell, operate and manage its own products and laid the foundation to create next generation AI products and to expand AI Product Services.

(Note 1) According to the Target Company, the term “algorithm” refers to a procedure and method for solving a problem on a computer.

(Note 2) According to the Target Company, the term “proof of concept (PoC)” refers to the testing of a concept’s feasibility.

(Note 3) According to the Target Company, the term “salespersons and consultants” means the Target Company’s employees engaged in a range of activities, including customer development, team formation with freelancers to address the business issues of developed customers, and project management and promotion.

(Note 4) According to the Target Company, the curriculum includes courses for beginners to learn mathematics and basic programming, courses to learn machine learning and deep learning for those who are pursuing the certification of “Deep Learning for ENGINEER” offered by the Japan Deep Learning Association (the qualification certifies the ability and knowledge to understand deep learning theory and to select and implement appropriate methods), courses designed to

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deepen understanding of AI implementation using case studies for persons who passed the examination of “Deep Learning for ENGINEER” and several other courses tailored to each level of understanding and objective of the participants.

(Note 5) According to the Target Company, the term “AI-implemented products” means the products that have AI incorporated into some of their functions.

According to the Target Company, in light of the business environment surrounding the Target Company, “Annual Report on the Ageing Society FY 2024” issued by the Cabinet Office suggests that the future will see an aging society, with one in every 2.6 people aged 65 or older in 2070 and expects measures to enhance labor productivity through the utilization of big data to be implemented amid the chronic decline in the population. According to the Target Company, the Cabinet Office has also proposed “Society 5.0” (Note 6), as the vision of the future society that Japan should strive towards, aim for “a human-centered society in which economic development and the resolution of social issues are compatible with each other through a highly integrated system of cyberspace and physical space (extract from the Cabinet Office’s website).” According to the Target Company, in terms of the high degree integration of cyberspace and physical space, it is anticipated that AI will analyze big data acquired from physical space through sensors and IoT and provide high-value-added feedback to the real world. According to the Target Company, it believes that efforts to use AI, an advanced technology, to solve problems in Japan, as a technology-driven country, are not only socially significant but will also lead to the creation of a new growth market. According to the Target Company, it aims to contribute to the early realization of Society 5.0 by building its own AI personnel database, mainly consisting of freelancers, and leveraging the AI personnel database to facilitate the planning and promotion of AI-related initiatives in Japan.

According to the Target Company, it considers the use of AI to be a national policy and one of the domestic markets with the greatest potential for future growth, as mentioned above. According to the Target Company, the results of the “2022 Artificial Intelligence Business Comprehensive Survey” by Fuji Chimera Research Institute, Inc. indicate that the market size of the domestic AI business market within the Target Company’s business domain is expected to grow from 1,160,800 million yen in 2021 to 1,978,700 million yen in 2027. Furthermore, according to the Target Company, “Towards the Realization of a New Innovation Ecosystem (January 16, 2020),” a report prepared by the Ministry of Economy, Trade and Industry, indicates that the supply-demand gap for AI personnel is expected to grow from 34,000 in 2018 to 88,000 in 2025, representing 2.6 times increase.

On the basis of the anticipated expansion in demand for AI algorithms over the medium to long term and the projected shortage of AI personnel, the market sees a number of competitors as well as quite a few new entrants; however, according to the Target Company, it believes its strength lies in its ability to meet a wide variety of customer’s needs by utilizing its unique AI personnel database. According to the Target Company, its AI personnel database is characterized by being primarily composed of freelancers. According to the Target Company, given that a certain level of work experience is required to work as a freelancer and that the industry knowledge of the personnel registered in the Target Company’s AI personnel database is highly diversified, the Target Company is able to meet the wide range of customers’ needs requiring different work experience and industry knowledge. Further, according to the Target Company, the Target Company is working to promote the expansion of its AI personnel database in order to meet the diverse needs of customers wishing to improve productivity and to reduce costs through the use of AI.

(Note 6) The term “Society 5.0” refers to a new vision of society proposed as the vision of the future society that Japan should strive towards. According to the Target Company, in the 5th Science and

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Technology Basic Plan (Cabinet decision of January 22, 2016), Society 5.0 was proposed as “a human-centered society in which economic development and the resolution of social issues are compatible with each other through a highly integrated system of cyberspace and physical space.”

Under these circumstances, in late March 2023, the Tender Offeror received an initial inquiry from the Target Company regarding a collaboration through a financial institution (which refers to the financial institution that the Target Company was consulting with regarding the collaboration with other companies and other matters at the time and is not the Target Company’s financial advisor, Mizuho Securities Co., Ltd. (“**Mizuho Securities**”)). In late September 2023, the Tender Offeror held an initial meeting with Mr. Sumimoto, the Representative Director and President of the Target Company, and received an explanation in respect of the Target Company’s business and discussed the future potential of the collaboration. Subsequently, in early November 2023, the Tender Offeror was approached by the Target Company through the financial institution to participate in the first selection process for a partner to acquire the Target Company Shares held by Mr. Sumimoto with a deadline of December 15, 2023 for the submission of a letter of intent. Through the above-mentioned discussions with the Target Company and Mr. Sumimoto, the Tender Offeror believed that the collaboration with the Target Company would be expected to further promote the Tender Offeror’s DX initiatives and create synergies between the two companies; therefore, the Tender Offeror began to consider the acquisition of the Target Company Shares based on the Target Company’s summary explanatory materials received through the financial institution. The Target Company’s summary explanatory materials included its business plan, which had been prepared before the review that was conducted in conjunction with the revision of the earnings forecasts for the fiscal year ended April 30, 2024, announced by the Target Company on March 8, 2024. The Tender Offeror examined various issues, including the possibility of making the Target Company a wholly-owned subsidiary, while comprehensively taking into account the restrictions related to the parent-subsidary listing structure and the restrictions related to the implementation of the synergy measures after the collaboration, and as a result, the Tender Offeror concluded to acquire all or a part of the Target Company Shares, expecting the following synergies: for the Tender Offeror, (i) strengthening of customer solutions (including ICT consulting and AI implementation support), (ii) improvement of the efficiency and sophistication of the Tender Offeror’s business, and (iii) enhancement of the brand power ; and for the Target Company, (i) increase in customer sales strength (quantitative synergy), (ii) utilization of data held by the Tender Offeror (qualitative synergy) (Note 7) and (iii) enhancement of the brand power. Based on this conclusion, on December 15, 2023, the Tender Offeror submitted a letter of intent to the Target Company, stating that it wished to acquire the Target Company Shares in view of these expected synergies. Subsequently, on January 16, 2024, the Tender Offeror was informed by the Target Company that the Mr. Sumimoto intended to sell a part or all of the Target Company Shares, including the possibility of selling all of the Target Company Shares held by him, and received a request from the Target Company to indicate the desired acquisition ratio and acquisition price of the Target Company Shares, and in accordance with that request, the Tender Offeror informed the Target Company that (i) the Tender Offeror intended to acquire all of the Target Company Shares held by Mr. Sumimoto, (ii) the Tender Offeror would consider the possibility of acquiring more than two-thirds of the Target Company Shares through acquisition of the Target Company Shares held by shareholders other than Mr. Sumimoto and by any other means, and thereafter making the Target Company a wholly-owned subsidiary through a squeeze-out procedure, and (iii) the acquisition price per share would be a price including a premium of 10-50% on the market price of the Target Company Shares.

Subsequently, on March 12, 2024, the Tender Offeror received, through Mizuho Securities, a notice indicating that the Tender Offeror was permitted to participate in the second selection process, and the Tender Offeror decided to participate in the second selection process. During the second selection process, from late March 2024 to late May 2024, the Tender Offeror conducted due diligence on the Target Company’s business

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operations and other matters, including financial, tax, legal and business matters, and met with the management of the Target Company to understand the details of the Target Company and further analyzed and examined the acquisition structure and the management policies after the Target Company would become a wholly-owned subsidiary of the Tender Offeror. As a result of these examinations, the Tender Offeror came to highly value the Target Company's track record, particularly in the AI market. Specifically, the Tender Offeror assessed that the Target Company has a proven track record, since the Target Company has been operating a platform for freelance personnel with abundant knowledge and experience in AI for 10 years and has already established a strong presence in the AI industry, where further competition for obtaining human resources is expected to continue; in addition, the Target Company provides AI Solution Services and AI Education Services, and develops and sells AI products to customers in a wide range of industries and sectors and has a large number of recurring customers (Note 8) who continuously retains the Target Company for the projects for AI Solution Services, exceeding 117 companies as of April 30, 2024. The Tender Offeror has established an AI Solution Office as of September 2, 2024 to accelerate its AI strategy in its DX Strategy, "Chibagin DX [3.0], and believes that, by welcoming the Target Company into the Tender Offeror Group as a wholly-owned subsidiary through the acquisition of the Target Company Shares and gaining such as prior access to the Target Company's knowledge regarding AI technology and AI personnel, the following synergies, which will further advance the "creating the optimal customer experience" and will lead to further acceleration of "Chibagin DX [3.0]," can be expected.

(Note 7) The Tender Offeror does not currently intend to have the Target Company develop AI that requires the Tender Offeror to provide customer information (except for masked data) to parties outside of the Tender Offeror (including the Target Company itself). In the event that the Tender Offeror considers such development in the future, the Tender Offeror and the Target Company will thoroughly examine the management system and other measures taking into account laws and regulations before implementing such. The same applies to the following sections that refer to the use of data owned by the Tender Offeror.

(Note 8) According to the Target Company, it defines recurring customers as customers who have used the services for the past four consecutive quarters.

(i) Strengthening of customer solutions

- Expansion of the lineup of ICT consulting services, and actual identification of deeply rooted management issues and making of proposals for the resolution thereof.

(ii) Improvement of the efficiency and sophistication of the Tender Offeror's business

- Automation and sophistication of business processes, use of AI in decision-making, and transformation of the work style of the Tender Offeror's employees through these measures.

(iii) Improvement of employees' AI/DX ability

- Improvement of AI/DX ability of employees of the Tender Offeror by using the Target Company's AI Education Services and sharing of knowledge and experience from the Target Company's officers and employees and freelancers.

(iv) Enhancement of the brand power

- Acceleration of advanced initiatives through horizontal deployment in various alliances in which the Tender Offeror cooperates, etc. and improving the presence in the regional banking sector.

Furthermore, with regard to "Personalization Strategy," which is one of the pillars of "Chibagin DX [3.0]", the Tender Offeror plans, by leveraging such as priority access to the Target Company's knowledge about AI technology and AI personnel, to achieve further enhancement of One-to-One marketing (Note 9) by way of "detection" and "prediction" utilizing data and AI, for example, (a) further advancing marketing with data

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and machine learning to enable marketing by prediction, (b) transforming the customer experience by utilizing AI in digital services such as “Chibagin app,” internet banking application for retail customers, and “Corporate portal,” application for corporate customers, and (c) enhancing customer experience by incorporating AI technology into products and services for customers. With regard to “Regional Ecosystem Strategy,” another pillar of “Chibagin DX [3.0],” the Tender Offeror also plans to achieve further enhancement of “DX for the whole region” (Note 10) by leveraging priority access to the Target Company's knowledge regarding AI technology and AI personnel and other advantages to further increase engagement with the community through development and provision of AI solutions that meet the individual needs of customers in the companies and government in the local community, as well as to broadly provide packaged AI solutions that are effective for many customers.

(Note 9) This term refers to a marketing method to propose solutions tailored to each customer's concerns through analyzing data collected from a variety of media, forecasting customer needs and life plans and other similar processes.

(Note 10) This term refers to, in the context of the Tender Offeror's engagement with local residents, local companies and local governments respectively, the initiatives to realize overall advanced customer experiences in the region by promoting DX in the entire region through provision of digital services and digital solutions and by building an economic cycle that connects the Tender Offeror, with local residents, local companies and local governments.

The Tender Offeror also believes that the Target Company can expect the following synergies as a result of the cross-selling to be achieved by way of the expanded customer range to which the Target Company will provide services, namely the Tender Offeror and the Tender Offeror's customers.

(i) Increase in customer sales strength (quantitative)

- Approaching the customer base of the Tender Offeror and its alliance partners, etc.

(ii) Increase in utilization of data held by the Tender Offeror (qualitative)

- Collection and usage of vast amounts of data, which will lead to improve the quality of AI Solution Services and develop new services.

(iii) Enhancement of the brand power

- Improving brand recognition and social credibility by establishing a capital relationship with a major regional bank and subsequently attracting freelance talent and strengthening the Target Company's ability to recruit its own employees.

The Tender Offeror also believes that by welcoming the Target Company, which is engaged in the non-financial business, a member of the Tender Offeror Group as a wholly-owned subsidiary, the Tender Offeror Group's presence in the non-financial business will increase, leading to a strategic diversification of the business portfolio, which can be also expected to contribute to the inorganic growth (discontinuous growth) of the Tender Offeror Group.

Based on the results of the above analysis and examination, the Tender Offeror considered that a capital alliance between the Tender Offeror and the Target Company would be a rational strategy for the purpose of realizing the above synergies and issues, and that making the Target Company a wholly-owned subsidiary of the Tender Offeror would contribute to the enhancement of the corporate value of both companies. Further, although the Tender Offeror considered not only an option of making the Target Company a wholly-owned subsidiary but also another option of making the Target Company a consolidated subsidiary through a partial acquisition of the Target Company Shares, at the time when the Tender Offeror started examining the



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Transaction, the Tender Offeror came to believe that making the Target Company a wholly-owned subsidiary of the Tender Offeror would be essential to maximizing the synergistic effects and realizing the strategic significance through the Transaction from the perspective of eliminating the risk of conflicts of interest with the Target Company's minority shareholders, so that the Target Company would not only be able to operate its business under a consistent management policy and make timely decisions to implement necessary measures, but also work on the alliance with the Tender Offeror more closely to take flexible and agile measures, including the exchange of personnel between the two companies. On June 21, 2024, the Tender Offeror submitted its second letter of intent to the Target Company and Mr. Sumimoto, which proposed that the price for purchase, per share of the Target Company Shares would be set at 707 yen (the "**Initial Proposal Price**") on the basis that the Target Company would become a wholly-owned subsidiary through a tender offer for the Target Company Shares. Subsequently, on June 28, 2024, the Tender Offeror communicated to the Target Company that the Share Option Purchase Price would be set at one (1) yen. The Initial Proposal Price of 707 yen, proposed in the second letter of intent, included: a premium of 26.48% (rounded to the nearest two decimal places; hereinafter the same applies to the calculation of the premium percentages) on 559 yen, the closing price of the Target Company Shares on the TSE Growth Market on June 20, 2024, the business day immediately preceding the date of submission of the second letter of intent (June 21, 2024); a premium of 33.15% on 531 yen, the simple average of the closing price of the Target Company Shares for the past one (1) month up to the said June 20, 2024 (the amount less than one yen has been rounded to the nearest one yen; hereinafter the same applies in the calculation of simple average of closing prices); a premium of 19.63% on 591 yen, the simple average of the closing price of the Target Company Shares for the past three (3) months up to the said June 20, 2024; and a premium of 9.95% on 643 yen, the simple average of the closing price of the Target Company Shares for the past six (6) months up to the said June 20, 2024, respectively. Subsequently, on July 3, 2024, the Tender Offeror received notice from the Target Company and the Special Committee of the Target Company which was established for consideration of the Transaction (the "**Special Committee**") through Mizuho Securities that the Target Company had selected the Tender Offeror as the final candidate. Together with the notice that the Target Company had selected the Tender Offeror as the final candidate, the Tender Offeror also received a request from the Target Company to increase the price from the Initial Proposal Price, on the grounds that the Initial Proposal Price is far below the level at which the Special Committee can recommend the tender offer and that the Special Committee and the Target Company's advisors advised that the interests of the Target's minority shareholders should be taken into account. In order to better understand such request made by the Target Company, the Tender Offeror held discussions with the Special Committee on July 23, 2024, regarding the request to increase the price from the Initial Proposal Price. After careful consideration of the Target Company's request, on August 5, 2024, the Tender Offeror communicated the Target Company and the Special Committee through Mizuho Securities that the price for purchase, per share of the Target Company Shares would be set at 841 yen (the "**Tender Offer Price**"). The proposed Tender Offer Price of 841 yen includes: a premium of 42.54% on 590 yen, the closing price of the Target Company Shares on the TSE Growth Market on August 2, 2024, the business day immediately preceding the date of the proposal (August 5, 2024); a premium of 38.55% on 607 yen, the simple average of the closing price of the Target Company Shares for the past one (1) month up to the said August 2, 2024 ; a premium of 45.25% on 579 yen, the simple average of the closing price of the Target Company Shares for the past three (3) months up to the said August 2, 2024; and a premium of 34.13% on 627 yen, the simple average of the closing price of the Target Company Shares for the past six (6) months up to the said August 2, 2024, respectively. In response, on August 7, 2024, the Tender Offeror received a request to reconsider the price from the Special Committee, which stated that there was still room for a further increase in the Tender Offer Price from the perspective of taking into account the interests of the shareholders of the Target Company to a greater extent. In response, the Tender Offeror reconsidered again, and on August 9, 2024, notified through Mizuho Securities the Target Company and the Special Committee again of the proposal that the Tender Offer Price would be 841 yen per share of the Target Company Shares,

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given that the price dated August 5, 2024 proposed by the Tender Offeror was a result of its careful and repeated consideration, and that it would be difficult to further increase the price from the proposed price. Thereafter, on August 14, 2024, the Tender Offeror received a response from the Special Committee, through Mizuho Securities, with respect to the Tender Offer Price of 841 yen, that, based on the price level of the Target Company Shares at that time, the Special Committee believed that it would be appropriate for the Board of Directors to express an opinion to recommend shareholders of the Target Company to tender their shares in the Tender Offer.

After the Tender Offeror submitted the second letter of intent to the Target Company on June 21, 2024, the Tender Offeror requested Mr. Sumimoto on the same day to tender the shares held by him in the Tender Offer and enter into the Tender Agreement, and proceeded with multiple discussions regarding the terms and conditions of the Tender Agreement other than the Tender Offer Price. On August 15, 2024, the day immediately following the date on which the Tender Offeror received the above response from the Special Committee, the Tender Offeror received a response from Mr. Sumimoto through Kensei Law Offices, Mr. Sumimoto's legal advisor, to the effect that he would accept the Tender Offer Price.

In light of the above, the Tender Offeror has resolved at the meeting of its Board of Directors held on September 6, 2024, that the Tender Offer would be implemented at the Tender Offer Price of 841 yen and the Share Option Purchase Price of 1 (one) yen. In addition, on the same day, the Tender Offeror entered into the Tender Agreement with Mr. Sumimoto.

## 2. Outline of Purchase

### (1) Outline of the Target Company

(i)	Name	EDGE Technology Inc.	
(ii)	Address	7-1, Kanda-Mikuracho, Chiyoda-ku, Tokyo	
(iii)	Name and Title of Representative	Koji Sumimoto, Representative Director, President and General Manager of Administration Division	
(iv)	Business	The Target Company is engaged in the AI Algorithm Business designed to solve customer issues and contribute to society through AI algorithms (specifically, providing AI Solution Services, providing AI Education Services and developing/selling AI Products), under the corporate philosophy of "bringing happiness to people around the world through technology."	
(v)	Amount of Stated Capital	97,965 thousand yen	
(vi)	Date of Incorporation	May 12, 2014	
(vii)	Major Shareholders and Shareholding Ratios (as of April 30, 2024)	Koji Sumimoto (住本 幸士)	65.40%
		Yuta Shimada (島田 雄太)	2.94%
		JPMorgan Securities Japan Co., Ltd.	1.15%
		Tomoaki Haruta (治田 知明)	1.14%
		Tomoaki Nishimura (西村 智明)	0.55%
		Toshizou Niimi (新美 俊藏)	0.40%

(Translation)

	Rakuten Securities Holdings, Inc.	0.37%
	Shuichi Yagi (八木 秀一)	0.37%
	Kazuaki Hirohashi (廣橋 一晃)	0.34%
	Hiroyuki Morita (森田 裕之)	0.32%
(viii)	Relationship between the listed company and the Target Company	
	Capital Relationship	None
	Personnel Relationship	None
	Business Relationship	None
	Status as Related Party	None

(Note) “Major Shareholders and Shareholding Ratios” are quoted from the “Status of Major Shareholders” stated in the Annual Securities Report for the 10th fiscal year filed by the Target Company on July 26, 2024.

(2) Period for Purchase as of the Time of Filing

From Monday, September 9, 2024 to Wednesday, October 23, 2024 (30 business days)

(3) Price for Purchase

(i) Common shares 841 yen per share

(ii) Share options (collectively from a. to c. below, the “**Share Options**”)

a. First series share options issued pursuant to the resolution of the meeting of the board of directors of the Target Company held on April 28, 2020 (the “**First Series Share Options**”) (The exercise period is from April 29, 2022 to April 28, 2030.)  
one (1) yen per unit

b. Third series share options issued pursuant to the resolution of the meeting of the board of directors of the Target Company held on April 28, 2020 (the “**Third Series Share Options**”) (The exercise period is from April 30, 2020 to April 29, 2030.)  
one (1) yen per unit

c. Fourth series share options issued pursuant to the resolution of the meeting of the board of directors of the Target Company held on April 26, 2021 (the “**Fourth Series Share Options**”) (The exercise period is from April 27, 2023 to April 26, 2031.)  
one (1) yen per unit

(4) Basis of Calculation of Price for Purchase

(Common shares)

The Tender Offer Price of 841 yen represents the following: (a) a premium of 58.98% on 529 yen, the closing price of the Target Company Shares on the TSE Growth Market on September 5, 2024, the business day immediately preceding the date of announcement of the implementation of the Tender Offer; (b) a premium of 53.47% on 548 yen, the simple average of the closing price of the Target Company Shares for the past one (1) month up to the said September 5, 2024; (c) a premium of 48.06% on 568 yen, the simple average of the closing price of the Target Company Shares for the past three (3) months up to the said September 5, 2024; and (d) a premium of 41.82% on 593 yen, the simple average of the closing price of the Target Company Shares for the past six (6) months up to the said September 5, 2024, respectively.

(Translation)

(Share Options)

On September 6, 2024, the Tender Offeror decided to set the Share Option Purchase Price at one (1) yen per unit of the Share Options, given that it is required, as a condition for the exercise of the Share Options, that the Share Options Holder, at the time of exercise, holds the position of director, auditor, executive officer or employee of the Target Company or any subsidiary of the Target Company or has a continuing contractual relationship of mandate, contract for work or otherwise with the Target Company or any subsidiary of the Target Company, whether as a counsel, advisor, consultant or otherwise, regardless of the name thereof, which renders it impossible for the Tender Offeror to exercise the Share Options even if the Tender Offeror acquires the Share Options through the Tender Offer.

(5) Number of Shares, Etc. to Be Purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
10,785,913 shares	7,190,600 shares	- shares

(Note 1) If the aggregate number of the shares, etc. tendered in the Tender Offer (the “**Tendered Shares, Etc.**”) is less than the minimum number of shares to be purchased (7,190,600 shares), the Tender Offeror will not purchase any of the Tendered Shares, Etc.. If the aggregate number of the Tendered Shares, Etc. is equal to or greater than the minimum number of shares to be purchased, the Tender Offeror will purchase all of the Tendered Shares, Etc.

(Note 2) As the maximum number of shares to be purchased through the Tender Offer was not established in the Tender Offer, the number of shares to be purchased described above is the maximum number of the shares, etc. of the Target Company that may possibly be acquired by the Tender Offeror through the Tender Offer (10,785,913 shares). Such maximum number of shares was calculated by using the following formula: (i) the total number of issued shares of the Target Company as of July 31, 2024, as stated in the financial results for the first quarter of the fiscal year ending April 2025 of the Target Company announced by the Target Company on September 6, 2024 (the “**Target Company’s Financial Results**”) (10,744,660 shares); *plus* (ii) the total (41,290 shares) of (x) the number of the Target Company Shares (29,250 shares) to be acquired upon exercise of the First Series Share Options (2,925 units), (y) the number of the Target Company Shares (7,000 shares) to be acquired upon exercise of the Third Series Share Options (700 units), and (z) the number of the Target Company Shares (5,040 shares) to be acquired upon exercise of the Fourth Series Share Options (504 units) (each of the aforementioned numbers of the Share Options represents those outstanding as of July 31, 2024, as reported by the Target Company); *minus* (iii) the number of treasury shares held by the Target Company as of July 31, 2024 (37 shares), as stated in the Target Company’s Financial Results.

(Note 3) Shares constituting less than one (1) unit will also be subject to purchase through the Tender Offer. The Target Company may, during the period of the Tender Offer, purchase its own shares in accordance with legal procedures from any shareholders who exercise the right to require the Target Company to purchase shares constituting less than one (1) unit under the Companies Act.

(Note 4) The Tender Offeror does not intend to purchase, through the Tender Offer, any treasury shares held by the Target Company.

(Note 5) Some Share Options may be exercised by the end of the period of the Tender Offer. The Tender

(Translation)

Offeror will purchase, through the Tender Offer, the Target Company Shares to be issued or transferred upon such exercise.

(6) Aggregate Tender Offer Price 9,070 million yen

(Note) The aggregate tender offer price is calculated by multiplying the number of shares to be purchased in the Tender Offer (10,785,913 shares) by the Tender Offer Price (841 yen)

(7) Commencement Date of Settlement

Wednesday, October 30, 2024

(8) Other Conditions and Methods of Purchase

As of September 5, 2024, the Tender Offeror obtained certain approvals from the Japan Fair Trade Commission (in accordance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended)) and the Commissioner of the Financial Services Agency (in accordance with the Banking Act (Act No. 59 of 1981, as amended)) that are necessary to complete the Tender Offer. However, the Tender Offer may be withdrawn if either of such approvals is rescinded or withdrawn before the last day of the period of the Tender Offer.

9) Tender Offer Agent

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

End

**[Regulations on Solicitation]**

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting the sale of shares. If shareholders wish to make an offer to sell their shares, they are advised to first read the tender offer explanatory statement for the Tender Offer and make an offer to sell their shares pursuant to their own independent decision. This press release does not constitute, nor form part of, an offer or solicitation to sell, or a solicitation of an offer to purchase, any securities. In addition, neither this press release (nor any part of it) nor the fact of its distribution shall form the basis of any agreement regarding the Tender Offer, nor may it be relied on in connection with executing any such agreement.

**[Forward-Looking Statements]**

This information may contain forward-looking expressions, such as “expect,” “forecast,” “intend,” “plan” “believe” and “anticipate,” including expressions regarding future business of the Tender Offeror or other companies and the like. These expressions are based on the Tender Offeror’s current business outlook and are subject to change depending on conditions in the future. The Tender Offeror assumes no obligation to update these expressions concerning forward-looking statements in respect of this information to reflect factors such as actual business performance, various circumstances and conditions, and changes to terms and conditions.

**[U.S. Regulations]**

The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, nor through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication), nor through any stock exchange facilities in the United States. No tender in the Tender Offer may be made through any of the aforementioned methods or means, through the said stock exchange facilities, or from the United States. In addition, neither the press release related to the Tender Offer nor other relevant documents will, or may, be sent or distributed in, to, or from the United States by the postal mail services or other means, and no such sending or distribution may be made. No tender in the Tender Offer that violates, directly or indirectly, any of the aforementioned restrictions will be accepted.

Solicitation to purchase securities or other equivalent instruments is not conducted to residents in the United States or within the United States. Even if such securities or other equivalent instruments are sent to the Tender Offeror by residents in the United States or from the United States, they will not be accepted.

**[Other Countries]**

Some countries or regions may impose legal restrictions on the announcement, issuance, or distribution of this press release. In such cases, please take note of such restrictions and comply with them. Even upon receiving this press release, such receipt shall not constitute a solicitation of an offer to sell or an offer to purchase share certificates, etc. related to the Tender Offer and shall be deemed to be a distribution of materials for informative purposes only.