

FOR IMMEDIATE RELEASE:

Integral Announces MBO through Tender Offer for Shares of Daiohs Corporation

Integral Corporation ("Integral") announces that Voyager Co., Ltd. (the "Company") has decided today to launch a tender offer (the "Tender Offer") for the common shares of Daiohs Corporation ("Daiohs", Securities code: 4653) for MBO, i.e., management buyout. The Company is a wholly-owned subsidiary of Integral and additional investment will be made by Integral 4 Limited Partnership, Innovation Alpha IV L.P., operated and managed by Innovation Partners Alpha IV Ltd, and Initiative Delta IV L.P., operated and managed by Initiative Partners Delta IV Ltd.

Integral has entered into agreements with the management shareholders and founding family of Daiohs, including Mr. Hiroshi Ohkubo, President and Representative Director and Mr. Shinichi Ohkubo, Chairman and Representative Director of Daiohs, whereby they agreed to tender a part of their shares of Daiohs and not to tender remaining shares. Going forward, Mr. Hiroshi Ohkubo will continue to take the helm of Daiohs as President and Representative Director, and Shinichi Ohkubo will serve as Chief Advisor and Founder to provide advice on Daiohs business to ensure that the spirit of Daiohs is passed on to the next generation. In addition, investment in shares of Daiohs will also be made by a candidate of next-generation leader .

Daiohs has resolved, at the meeting of its board of directors held today, to express an opinion in support of the Tender Offer and to recommend all shareholders of Daiohs to offer their shares to the Tender Offer.

Daiohs, established in June 1969 as Komeya Ohkubo, under the leadership of its founder, Mr. Shinichi Ohkubo, introduced a U.S. office coffee service to Japanese market that made it easy to drink authentic coffee in the office, and Daiohs has been leading the industry as a pioneer in Japan. Daiohs has developed a multifaceted business including water servers for offices, rental service of cleaning tools and cleaning services in Japan under Daiohs' continuous and repetitive sales concept, where employees visit customers directly and continuously provide products and services. In addition, Daioh's has been actively developing office coffee service business "First Choice Coffee" in the U.S. as well since the 1980s, and currently hold a high market share, especially in the West Coast area.

Operating globally in nine regions, Daiohs has long been aware of the need to strengthen its global governance structure. At this time, financial reporting problems that occurred in the U.S. subsidiary has prompted Daiohs to tackle with a fundamental reform of its internal control system and global governance structure, as well as to make IT investments and review its area dominant strategy in the U.S. to better respond to changes in the business environment. Such reforms are expected to be a medium- to long-term effort and involve a decline of stock price in the short term. Thus, Daiohs has decided to go private, and Integral agrees to support the MBO as a sponsor.



Integral's corporate philosophy is to be a "Trusted Investor," and we will make equity investments from a long-term perspective based on a relationship of highest trust with the management of our portfolio companies. Subsequent to investment, we will work together with the invested company sharing the same objectives and time horizon with the management and support the growth of its corporate value by utilizing our extensive human resources network and knowledge of management and governance. For details of the Tender Offer, please refer to the attached press release by the Company

About Integral

Japanese private equity company investing in listed and unlisted companies in Japan. "Integral" stands for "integral calculus – accumulation over time" meaning that the company will strive to establish a relationship of highest trust with the management of invested companies, and will aim to accumulate the highest wisdom over time. Integral makes equity investments from a long-range perspective through its unique "hybrid investment" approach, utilizing both principal and fund money for investment. Subsequent to investment, the company will provide optimal support in terms of management and finance through the "i-Engine" corporate value enhancement team, and will collaborate with the invested company sharing the same objectives and time horizon and seeing eye-to-eye with its management. Integral aspires to be a trusted investment fund, contributing to society through the success of invested companies.

Please Contact Integral for Additional Information:

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September 1, 2022

FOR IMMEDIATE RELEASE

Company Name: Voyager Co., Ltd.
Name of Representative: Kensaku Mizutani,
Representative Director

**Announcement on Commencement of Tender Offer for Share Certificates
of Daiohs Corporation (Securities Code: 4653)**

Voyager Co., Ltd. (the “**Tender Offeror**”) announces on September 1, 2022, that it decided to acquire common shares of Daiohs Corporation (Listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “**TSE**”); securities code: 4653; the “**Target Company**”) by way of a tender offer (the “**Tender Offer**”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended), as further detailed below.

The Tender Offeror is a stock company (*kabushiki kaisha*) established on August 3, 2022 mainly for the purpose of acquiring and holding the share certificates of the Target Company, and as of today, the Tender Offeror are wholly owned subsidiary of Integral Corporation (“**Integral**”). As of today, Integral and its subsidiaries and affiliates, including the Tender Offeror, do not hold any common shares of the Target Company (the “**Target Company Shares**”)

Integral is an equity investment company that invests in listed companies, private companies, and the like in Japan. The company’s name, Integral, refers to integration and accumulation, and Integral’s mission is to engage in equity investments from a long-term perspective that involves building relationships of trust with portfolio companies and steadily implementing measures one on top of another that contribute to sustainably enhancing corporate value. Integral’s policy is to walk together with portfolio companies based on the same perspectives and timescales as their management and to provide optimal management support in terms of both management and finances in order to maximize corporate value while respecting the business policies of the portfolio companies.

Since its founding in September 2007, Integral has invested in a total of 27 companies including QB Net Holdings Co., Ltd., Skymark Airlines Inc., Toyo Engineering Corporation, and Oliver Corporation and has provided support thereto in terms of both management and finances in order to enhance corporate value. Integral does not pursue short-term profits only through reducing costs and improving the efficiency of operations but instead aims to achieve lasting business growth and development through investment and resource allocation based on a long-term perspective. As an independent domestic investment company that has gathered people who are engaged in M&A operations and corporate



management and who have a high level of expert knowledge in regard thereto, Integral gives its utmost to support the promotion of growth strategies that prioritize enhancing the corporate value of portfolio companies while fully understanding and respecting the characteristics of management-level personnel at Japanese companies.

The Tender Offeror decided on September 1, 2022 to conduct the Tender Offer as part of the transactions for the purpose of acquiring all of the Target Company Shares listed on the TSE (excluding the treasury shares held by the Target Company and the not tendered shares) and taking the Target Company Shares private (the “**Transactions**”).

The Tender Offer will be conducted as part of a management buyout (“MBO”) (Note 1) with the support of the Target Company’s board of directors for the purpose of amicably acquiring all of the Target Company Shares (excluding the treasury shares held by the Target Company and the not tendered shares). Mr. Hiroshi Ohkubo, President and Representative Director of the Target Company, will continue to take the helm the Target Company as President and Representative Director. In addition, pursuant to Article 180 of the Companies Act after the completion of the Tender Offer, Mr. Shinichi Ohkubo, Chairman and Representative Director of the Target Company, will step down from his board position at the conclusion of the Extraordinary General Shareholders' Meeting, which will include a proposal to conduct a reverse stock split of the Target Company's shares (the "Share Consolidation") and to partially amend the Articles of Incorporation to abolish the number of shares in a share unit on the condition that the reverse stock split takes effect. After that, he will provide advice on the Target Company's business as the Chief Advisory and Founder who is not a director to ensure that the founder’s spirit is passed on to the next generation.

Note 1: “Management buyout (MBO)” generally refers to a transaction in which the management of the company being acquired contributes all or part of the acquisition funds and acquires the shares of the company on the assumption of continuing its business.

Integral has entered into a Management Buyout Agreement on August 31, 2022, with Daioh Enterprise, family office of Mr. Shinichi Ohkubo, Mr. Hiroshi Ohkubo and Ms. Yoko Ohkubo, the Target Company's largest shareholder as of March 31, 2022, Mr. Shinichi Ohkubo, the second largest shareholder, Mr. Hiroshi Ohkubo, the third largest shareholder, Mr. Yusuke Kosuge, an vice president of Daioh U.S.A., Inc., Integral IV Limited Partnership, Innovation Alpha IV L.P. and Initiative Delta IV L.P.. Daioh Enterprise (number of shares held: 5,596,056 shares; shareholding ratio (Note 2): 41.64%) has agreed not to tender in the Tender Offer. Of the shares of the Target Company owned by Mr. Shinichi Ohkubo (ownership: 1,601,536 shares, ownership ratio: 11.92%), 1,113,373 shares (ownership ratio: 8.28%) will be tendered in the Tender Offer and the remaining 488,163 shares (ownership ratio: 3.63%) will not be tendered in the Tender Offer. Mr. Hiroshi Ohkubo (number of shares held: 400,800 shares; shareholding ratio: 2.98%) has agreed to tender all of his shares in the Target Company to the Tender Offer.

In addition, the Tender Offeror has agreed with Yoko Ohkubo, the fifth largest shareholder (number of shares held: 394,066 shares, shareholding ratio: 2.93%), Jun Ohkubo, the seventh largest shareholder



(number of shares held: 268,400 shares, shareholding ratio: 2.00%) and Mr. Makoto Ohkubo, the ninth largest shareholder (number of shares held: 168,400 shares, shareholding ratio: 1.25%) (Mr. Hiroshi Ohkubo, Ms. Yoko Ohkubo, Mr. Jun Ohkubo and Mr. Makoto Ohkubo are hereinafter referred to as "the shareholders who agreed to tender"). The Tender Offeror executed a tender agreement (the "Tender Agreement") dated August 31, 2022, with each of Yoko Ohkubo, Jun Ohkubo, and Makoto Ohkubo. The shareholders who agreed to tender have agreed to tender all of their shares in the Target Company to the Tender Offer.

Note 2: "Ownership ratio" is calculated by subtracting the number of shares held by the Target Company as of March 31, 2022 (15,479 shares) from the total number of issued shares of the Target Company as of March 31, 2022 (13,439,142 shares) as stated in the Target Company's financial results for the fiscal year ending March 31, 2022, released on June 10, 2022. The ratio is rounded off to two decimal places in the calculation.

An outline of the Tender Offer is provided below.

(1) Name of the Target Company

Daiohs Corporation

(2) Type of Share Certificates, Etc. Subject to Tender Offer

Common stock

(3) Price of Tender Offer

1,500 yen per common stock

(4) Period of Tender Offer

September 2, 2022 (Friday) to October 18, 2022 (Tuesday) (30 Business Days)

(5) Commencement Date of Settlement

October 25, 2022 (Tuesday)



(6) 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
7,354,794 shares	2,875,181 shares	–

(7) Tender Offer Agent

Daiwa Securities Co. Ltd.

9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

For the details of the Tender Offer, please see the Tender Offer Registration Statement to be submitted by the Tender Offeror on September 2, 2022 with respect to the Tender Offer.