

OASIS

(This notice has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.)

September 20, 2022

Company name: Rays Company (Hong Kong) Limited

Director Seth Fischer

Company name: Oasis Management Company Limited

Director Seth Fischer

Notice Concerning the Commencement of a Tender Offer for Shares of Raysum Co., Ltd. (Securities Code: 8890)

Rays Company (Hong Kong) Limited (the “**Tender Offeror**”) has decided to launch a tender offer (the “**Tender Offer**”) on September 20, 2022 for the outstanding common shares (“**Target Shares**”) of Raysum Co., Ltd. (Securities Code: 8890, Tokyo Stock Exchange, Inc. (“**Tokyo Stock Exchange**”), listed on the Standard Market) (“**Raysum**” or the “**Target**”) pursuant to the Financial Instruments and Exchange Acts (No. 25 of 1948, as amended; the “**Act**”). Accordingly, the Tender Offeror and Oasis Management Company Ltd. (“**Oasis Management**”) hereby announce the following:

Oasis Management manages private investment funds focused on opportunities in a wide array of asset classes across countries and sectors, primarily in marketable securities. Oasis Management was founded in 2002 by Seth H. Fischer, who leads the firm as its Chief Investment Officer. Oasis Management is a long-term investor in Japan that engages in dialogue and discussion with its portfolio companies to endeavor to improve their corporate value.

After the completion of the Tender Offer, Oasis Management intends to work together with the management and employees of Raysum to maximize Raysum’s corporate value.

The details of the Tender Offer are set forth below.

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1. Details of the Tender Offer

(1) Name of the Target

Raysum Co., Ltd.

(2) Type of shares, etc. to be purchased, etc.

Common shares

(3) Tender offer period

September 21, 2022 (Wednesday) to November 4, 2022 (Friday) (30 business days)

(4) Tender offer price

JPY 1,700 per common share

(5) Number of shares to be purchased

Number of shares to be purchased: 18,364,300 shares

Minimum number of shares to be purchased: 18,364,300 shares

Maximum number of shares to be purchased: 18,364,300 shares

(Note) The Tender Offeror will not purchase rights pertaining to shares tendered in the Tender Offer (rights pertaining to shares shall be referred to as “**Shares**” and Shares tendered in the Tender Offer shall be referred to as “**Tendered Shares**”) if the total number of shares tendered is less than the minimum number of shares to be purchased, and will not purchase the excess Shares if the total number of shares tendered exceeds the maximum number of shares to be purchased. Delivery and other settlement of the Shares shall be carried out in a proportionate manner as prescribed by applicable laws and regulations.

(6) Tender Offer Agent

Mita Securities Co., Ltd., 3-11, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo

(7) Date of settlement commencement

November 11, 2022 (Friday)

2. Outline of the Tender Offer

The Tender Offeror is a limited liability company established on March 31, 2017 under the Hong Kong Companies Act. RS Company Ltd., a subsidiary of Oasis Management (Oasis Management, RS Company Ltd., and the Tender Offeror are referred to individually or collectively as “**Oasis**”) owns all of the Tender Offeror’s shares.

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Prior to founding Oasis, Seth Fischer served as the portfolio manager for Asia investments at Highbridge Capital Management, which he joined in 1995. He has been investing in Japan since 1995.

Oasis’ engagement activities are characterized by dialogue with management of Oasis portfolio companies in order to realize an improvement in the medium-to-long-term corporate value.

Oasis uses its global network and resources to help portfolio companies realize their potential value. This includes business strategy reviews, financing for growth, sales expansion, cost savings proposals, capital structure optimization, corporate governance improvements, as well as hiring executives and staff needed to support global operations, and improving public and investor

relations activities for institutional investors. In this way, Oasis will contribute to the improvement of the corporate value of its various portfolio companies through such support and dialogue.

As of today, Oasis does not own any of the common shares of the Target.

The aim of the Tender Offer is for the Tender Offeror to acquire management rights in the Target and the Target Shares from Power One Co., Ltd. (“**PO**”), the major and the largest shareholder of the Target (18,364,300 shares, ownership ratio: 64.21%), which is an asset management company owned by Mr. Takeshi Tanaka, a shareholder of the Target and former Chairman of the board of directors (“**Mr. Tanaka**”; owner of 16,800 shares, ownership ratio: 0.06%), while also maintaining the listing of the Target’s shares on the Standard Market of the Tokyo Stock Exchange.

The Tender Offer price (“**Tender Offer Price**”) is JPY 1,700 per common share.

Funds managed by Oasis Management will provide all funding for the Tender Offer. Specifically, Oasis Investments II Master Fund Ltd. and Oasis Japan Strategic Fund Ltd, both funds managed by Oasis Management, will invest the capital required for the Tender Offer in the Tender Offeror’s parent company, RS Company Ltd. RS Company Ltd. plans to then lend the funds to the Tender Offeror. The Tender Offeror plans to use these funds to fund the Tender Offer.

The Tender Offeror has entered into a tender agreement (“**Tender Agreement**”) with PO dated September 20, 2022, in connection with the Tender Offer. Under the terms of this Tender Agreement, PO shall tender all of the Target Shares that it holds (18,364,300 shares, ownership ratio: 64.21%) into the Tender Offer, subject to the satisfaction of certain conditions.

The Tender Offer has set the minimum and maximum number of shares to be purchased at the same threshold, 18,364,300 shares (ownership ratio: 64.21%). The minimum number of shares to be purchased is set at 18,364,300 shares (ownership ratio: 64.21%) since the Tender Offeror intends to purchase all of PO’s 18,364,300 shares (ownership ratio: 64.21%). Furthermore, the Tender Offeror does not intend to delist the Target Shares, and plans to maintain the listing of the Target Shares after the Tender Offer has been completed. The Tender Offeror plans to avoid, to the extent possible, failing to satisfy the requirement to have 25% of the shares in circulation, a listing requirement on the Tokyo Stock Exchange’s Standard Market. Acquiring 18,364,300 shares (ownership ratio: 64.21%) will fulfill the Tender Offeror’s purpose i.e., acquiring management rights over the Target. Therefore, the maximum number of shares to be purchased is set at 18,364,300 shares (ownership ratio: 64.21%). Accordingly, if the total number of Tendered Shares is less than the minimum number of 18,364,300 shares (ownership ratio: 64.21%) to be purchased, none of the Tendered Shares will be purchased. Further, if the total number of Tendered Shares exceeds the maximum number of 18,364,300 shares (ownership ratio: 64.21%), none of the excess shares will be purchased, and settlement will be made via the proportional method prescribed in Article 27-13 paragraph (5) of the Act and Article 32 of the Cabinet Office Ordinance. The purpose of the Tender Offer is to acquire management rights over the Target by acquiring the 18,364,300 shares owned by PO (ownership ratio: 64.21%). However, in the event that the total number of Tendered Shares exceeds the maximum number of 18,364,300 shares (ownership ratio: 64.21%), and as a result the Target cannot acquire all the shares PO holds in the Tender Offer, the Tender Offeror (including Oasis) does not plan to acquire additional shares of the Target from PO. In addition, PO has indicated no particular decision has been made at this point in time as to the policy for the disposition or holding of the Target Shares that PO was not able to sell in the event that PO is unable to sell all of the Target Shares it holds through the Tender Offer.

(Note) “**Ownership ratio**” means the ratio (rounded to the second decimal place) based on 28,601,804 Shares, which is the number of shares reported outstanding in the Notice of Treasury Share Cancellation (cancellation of treasury shares under Companies Act Article 178)

published July 22, 2022 (the “**Treasury Shares Cancellation Notice**”), minus the 479,586 treasury shares held as of such date reflecting such share cancellation.

3. Management Policy after the Tender Offer

Oasis’ engagement activities are characterized by constructive dialogue with management of Oasis portfolio companies in order to realize an improvement in the medium- to long-term corporate value of the companies in which Oasis invests.

For example, Oasis invested in an electronic equipment manufacturer in 2019, and has worked closely with its founding family since the initial investment. Through this cooperation, the company has achieved a significant increase in corporate value. In April 2020, Oasis, with the founder, refreshed the company’s management team, and an Oasis employee joined the company’s board to continue to support hands-on efforts to increase corporate value. The company, which had been generating operating losses, became profitable and grew exponentially.

Oasis’ investment policy to improve the corporate value of its portfolio companies through engagement and dialogue with the management team remains consistent with this Tender Offer.

After the Tender Offer is completed, Oasis will work with the management team of the Target to formulate and implement measures to realize a significant increase in corporate value by utilizing the growth potential of the Target.

Oasis intends to implement such measures over time and, through dialogue, to build consensus through repeated discussions with all stakeholders, including management, employees, other shareholders, business partners and lenders of the Target. Based on Oasis’ experience, Oasis expects that formulating and implementing the appropriate measures may require an extended period of time.

Oasis plans to maintain the listing of the Target after the Tender Offer. The current management of the Target is expected to continue to serve as the core of business operations to further grow the Target’s corporate value. Based on discussions with the management team of the Target, Oasis plans to provide appropriate support to continue to develop the Target’s business model and increase the Target’s corporate value in response to the requests of the management team. In particular, in order to further expand the Target’s ability to raise funds, the Target’s competitive advantages and the growth potential of its business model will be communicated to domestic and foreign investors and financial institutions, etc., and public and investor relations activities will be enhanced. In this regard, Oasis believes it can utilize its experience cultivated through engagement with and investment in domestic and foreign companies. Furthermore, the Japanese real estate market remains very undervalued from the perspective of overseas investors. Oasis believes that there is considerable room for the Target to expand its earnings, and that Oasis can contribute in this respect by marketing effectively to the needs of overseas investors to further expand the customer base.

In addition, Oasis believes that RAYPOWER CORPORATION (“**Raypower**”), an important subsidiary of Raysum that manufactures and sells lightweight emergency gas power generators in preparation for frequent natural disasters, has the potential to grow significantly by expanding sales channels, not only in Japan, but also in overseas markets, and can achieve significant growth by leveraging the competitive strengths of its products, and that Oasis can also make a significant contribution in this area to Raypower’s corporate value through supporting business development.

With respect to the domestic business, Oasis believes that it is possible to leverage its investment experience in the capital markets and the Target’s real estate development experience to develop a new business model.

Although some Japanese listed companies have large buildings in prime locations, because of core business challenges, they are unprofitable, without being able to effectively use the land, according to Oasis analysis. These companies continue to operate at a loss and are unable to communicate any growth prospects to shareholders, employees, business partners and financial institutions that provide funds.

If the Target acquires such a real estate redevelopment project in a prime location, and if the Target can effectively utilize the real estate in the redevelopment project by utilizing the Target's experience, not only will the Target's earnings increase, but also, Oasis believes that the PR effect of advertising the Target's ability to succeed in such a large-scale real estate redevelopment project will be substantial.

Oasis believes that it will be possible to succeed in a number of such projects by leveraging the real estate redevelopment experience of the Target together with the capital markets experience of Oasis. Oasis is confident that it can identify and execute on a number of such projects that will be beneficial for both parties via synergies generated from combining these experiences.

Oasis plans to continue to employ the Target's employees under the same terms and conditions to which they are accustomed based on the above management policy. In addition, the Target's current management team has deep knowledge and experience in the Target's business and contributes to the Target's long-term growth. Oasis prefers that the current management team, including the current management board, remain in place. On the other hand, Oasis understands that there are issues to be addressed at the Target regarding public and investor relations, with respect to investors in Japan and overseas, as well as the further expansion of the overseas customer base. Oasis believes that these are areas in which Oasis can make use of the experience it has cultivated over many years of business. In order to support the Target, if the Tender Offer is successful, Oasis plans to promptly request that the Target hold an extraordinary shareholders meeting in order to appoint two directors from Oasis to the Target. Oasis hopes to significantly improve the corporate value of the Target by uniting the Target and Oasis and leveraging their respective strengths.

Oasis has no plans to change the name of the Target.

In addition, Oasis has no immediate plans to change the governance structure or organization of the Target. However, Oasis would like to consider necessary reforms to realize more effective corporate governance, while closely exchanging opinions with management.

At this time, there are no specific management policies or management plans that have been decided, other than the previously-mentioned plan to send two directors from Oasis to the Target and other management policies. Moreover, Oasis does not plan to provide financing to the Target after the Tender Offer is completed. According to the Target, as of the date of submission of this document, there are no business or personal relationships between the Target and Mr. Tanaka or between the Target and PO. Oasis does not plan to request Mr. Tanaka or PO to serve as an advisor to the Target or otherwise participate in the Target's business.

4. Likelihood of Delisting and Reasons Therefor

The Target Shares are listed on the Tokyo Stock Exchange Standard Market as of the date of submission of this document. The Tender Offeror does not intend to delist the Target Shares.

However, if, after the completion of the Tender Offer, the ownership ratio of the Target Shares held by the Tender Offeror, PO and other shareholders to be excluded from the calculation of tradable shares exceeds 75%, the criterion that the tradable share ratio be 25% or more, one of the Tokyo Stock Exchange Standard Market's listing maintenance standards, would not be met. In such circumstances, it could become difficult to maintain the listing of the Target's shares if this

situation continues. In order to avoid such a situation, Oasis plans to consult with the Target if circumstances arise which make it difficult to maintain the listing, and if necessary, while considering the stock price of the Target, the Tender Offeror plans to take measures to increase the circulating shares of the Target, Oasis plans to take measures to increase the tradeable shares of Target, Oasis plans to take measures to increase the tradeable shares of Target, including the sale of the Target Shares owned by the Tender Offeror. As of today, the Tender Offeror does not plan specifically to transfer the Target Shares acquired through the Tender Offer to a third party, and the Tender Offer is not being implemented in order to transfer the Target Shares to a third party.

5. Other

This Tender Offer is not conducted directly or indirectly in or toward the United States, conducted by U.S. mail or other interstate or international trade methods or means (including, but not limited to, facsimile, E-mail, Internet communications, telex and telephone), or conducted through U.S. stock exchange facilities. You cannot tender into this Tender Offer by the above methods or means, through the above facilities, or from within the United States.

The tender offer registration statement and related purchase documents are not sent from or distributed by mail or other means within the United States, to the United States, or from within the United States, and such sending or distribution is prohibited. No tender into this Tender Offer ("**Tendering Shareholder**") which directly or indirectly violates the above restrictions shall be accepted.

Upon tendering into the Tender Offer, Tendering Shareholders (or a standing agent in the case of a foreign shareholder) may be requested to make the following representations and warranties to the Tender Offer Agent:

The Tendering Shareholder is not located in the United States at the time of the tender or the time of the submission of the Tender Offer; no information regarding the Tender Offer (including a copy thereof) has been directly or indirectly received in or from or sent to the United States; no method and means of U.S. postal mail or other interstate or international commerce (including, but not limited to, facsimile, e-mail, Internet communications, telex and telephone) was used in the purchase, etc. or delivery of the signature for the Tender Offer; no securities exchange facilities in the United States were used; and the holder is not acting as an agent or trustee or consignee of another person without the discretion of another person (except where such other person is giving all instructions regarding the purchase, etc. from outside the United States).

For other details of the Tender Offer, please refer to the Tender Offer Registration Statement to be submitted by the Tender Offeror on September 21, 2022, regarding the Tender Offer.
